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P R O C E E D I N G S

of the

SELECT COMMITTEE APPOINTED BY THE LEGISLATURE  
OF THE PROVINCE OF ONTARIO, TO ENQUIRE INTO AND  
REPORT MATTERS IN CONNECTION WITH TOLL ROADS  
IN THE PROVINCE.

Mr. J. P. Robarts, Q.C., Chairman.

Mr. D. J. Collins, Secretary.

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VOLUME XXVI

Thursday, September 27<sup>th</sup>, 1956.

HAMILTON, Ont.

(Morning Sitting)

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R. C. Sturgeon,  
Official Reporter,  
Parliament Buildings,  
Toronto, Ontario.







T W E N T Y - S I X T H   D A Y

Hamilton, Ontario,  
Thursday, September 27th, 1956,  
10:00 o'clock, a.m.

- - - - -

The further proceedings of this Committee  
reconvened pursuant to call by the Chairman.

Mr. J. P. Robarts, Q.C., Chairman,  
Presiding.

PRESENT: Messrs. Root,

Child,

Auld,

Mackenzie,

Sandercock,

Manley,

MacDonald,

Mr. D. J. Collins, Secretary.

APPEARANCES:

Mr. R. E. Elliott,

M.P.P.

Mr. L. B. Jackson,

Mayor, City of  
Hamilton

Mr. Berry,

City Clerk, Hamilton.

Mr. W. Griffin,

Deputy City Clerk,  
Hamilton.

Mr. B. Lawrence,

Chief of Police,  
Hamilton.



Mr. David Duncan,	Alderman, City of Hamilton.
Mr. Stuart Cook,	Trades and Labour Council, Hamilton.
Mr. William Colliers,	Deputy City Engineer, Hamilton.
Mr. N. Fletcher,	Suburban Roads Commission, Hamilton.
Mr. T. Mahoney,	Suburban Roads Commission, Hamilton.
Mr. J. MacDonald,	Controller, City of Hamilton.
Mr. C. Saunders	President, Hamilton Industrial Corp.
Mr. Kemp,	Mayor, Town of Dundas.
Mr. Reg. Gisborne,	M.P.P.
Mrs. Pritchard,	Controller, City of Hamilton.
Mr. Davidson,	Ancaster.

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MR. CHILD: Mr. Chairman and gentlemen, we will commence our meeting.

First, I would like to introduce His Worship, Mayor Jackson, from whom we would like to hear a few words, before we commence our meeting.

HIS WORSHIP MAYOR JACKSON (Hamilton): Mr. Chairman and gentlemen of the Committee: I would like to say we are very happy to have you here on this lovely bright morning, and to have you use our facilities here for the discussion on this most important question.





I understand you had a brief presented to you before, at Toronto, and I understood it was ably presented by Controller MacDonald, and I do not know whether there is anything further I should say.

There may be some matters which Controller MacDonald may wish to add to what has already been stated.

We will take part in your deliberations here, and assist you wherever we can.

I have nothing to add. I have a few ideas of my own, but perhaps I had better give them to you privately. However, we do welcome you here, and hope you will have a profitable day in our midst, and I hope to see you at luncheon.

THE CHAIRMAN: Thank you very much, Your Worship.

Gentlemen, perhaps I might introduce the members of the Committee to those of you who are here.

Starting on my right is Mr. Auld, from Brockville, and, of course, next to him is your own Arthur Child; then John Root, from Wellington-Dufferin; "Lex" Mackenzie, from what he thinks is the largest city north of Toronto, a town named Woodbridge. Then Donald MacDonald, from York South, Peter Manley from Stormont, and Mr. Sandercock, from Belleville, and I





am John Robarts from London.

Then sitting below me here is our shorthand reporter, who will take notes of the proceedings.

Perhaps, for a few moments, I might tell you what we are, who we are, what we have done, and why we are here.

We are a Committee appointed by the Legislature of the province of Ontario, to report back to the Legislature concerning toll roads, and the possibility of their construction and application in the province of Ontario.

We are an all-Party Committee, and we are in the nature of a fact-finding body. We have been working -- and I am almost ashamed to say this -- but we have been working hard for about a year. We have travelled extensively in the United States, looking at various toll roads, which are presently in operation.

We have reached certain conclusions which are set forth in this interim report which we submitted to the Legislature last March. I will not go too fully into the report as there are copies available if any one of you would like one.

In our report, we arrived at certain principles. I will run over these very briefly.

These are principles concerning the whole



problem of toll roads. We found that, as a general rule, in any jurisdiction which established toll roads there were five considerations or some combination of any of them. They are as follows:

- "(1) The Government of the State did not feel that it was in the public interest to increase motor vehicle taxation sufficiently to obtain the necessary revenue to build urgently required controlled access expressway or high cost bridge facilities. Practical economics and the belief that the motor vehicle user should not be assessed beyond a fair tax burden was construed to mean that the construction of high cost projects was not sufficiently in the general public interest to deserve a levy on all motor vehicle owners and operators whether users of the facility or not."

Then the second consideration is as follows:

- "(2) Out-of-state traffic would constitute a high percentage of the motor vehicles which would use the highway or bridge to be constructed. This is in most cases caused by motor vehicle traffic passing from one





major centre to another and not originating or terminating in the state responsible for such road construction. In this case, out-of-state vehicles could travel over the roads and highways without contributing any tax revenue for the construction and maintenance of roads."

These vehicles which were registered in another state, and purchased their fuel, and paid their fuel taxes in another state, and using the roads of a particular jurisdiction to any large extent, should pay for the cost of the roadway, at least a portion of it, and for the upkeep.

Then, consideration No. 3 reads as follows:

- "(3) A great backlog of highway construction remained, even after motor vehicle revenues were utilized for construction and maintenance of the highway system. This backlog was usually revealed by investigation conducted to discover the inadequacies of highways, and predictions on future highway requirements. Highway demands continue to increase to such a degree that construction could not keep pace without resort to some new method of financing which would permit an accelerated highway program.





Then No. 4 reads as follows:

"(4) County and town demands for increased road construction to maintain and improve transportation arteries have precluded concentrated expressway building programs. This means in effect that highway revenues are not great enough to provide sufficient sums for significant divided controlled access construction, and for subsidization of rural and urban service roads at the same time."

You can only spend one dollar once, and if you spend it to assist municipalities in their problems, you have not it to spend on connecting links between various centres of population.

Then No. 5 reads:

"(5) In a few jurisdictions there is evidence that highway revenues were in part divided to other state programs considered more deserving. In the main, such expenditures were directed to education and welfare and not used to maintain an adequate highway system."

That is, the taxes produced from license fees or the gasoline tax might be diverted from roads



to some other activity which might be considered to be more politically appealing, such as education, health, and so forth.

Our investigation shows that is not true in this province, because of every dollar spent in this province, 65.5 cents comes from the motorists, and the other 34.5 cents comes from the province, or goes on our debt.

Then we reached certain conclusions, which I will also run over very briefly. Our first conclusion was:

" There is no inherent engineering or traffic control advantage in toll expressways over free roads, such as No. 400, built out of tax revenue and provincial credit.

This statement requires clarification on what is meant by a free road. Such a road is free only in the sense that there is no special levy for travel. Actually, the road is constructed and maintained on funds derived from taxation and provincial credit. In effect, this represents a general toll charge on all owners and operators of motor vehicles, whether they use the road or not. On the other hand, toll facilities charge a specific per mile rate assigned to the





various classes of vehicles usually in proportion to weight, designed to return to the investor the cost of the facility plus interest (rates vary from two to four percent), and, as well, leave a margin of safety. This charge is in addition to the tax on gasoline consumed. Such a toll facility would be described as a self-liquidating project, constructed and maintained out of revenue bonds.

Any government participation, either through guarantee bonds or direct financial support, avoids the self-liquidating toll road concept. Such government participation would in effect result in the cost of the new project being shared by the general taxpayer and the user.

Although there is no engineering or traffic advantage in a toll facility over freeroads of the same standard, usually the construction of such a facility parallels a standard highway, and the premium advantage ensures its popularity with the users. In this case, the users support the toll principle only because of the fact that the express highways otherwise would not be available and that an alternative free road is open to those who wish to choose it."





Then our second conclusion was:

"Toll financing is an expedient to enable the state to build high cost expressways and bridge projects quickly on a user pay system, when revenues are below expenditures. The alternative would be an indefinite postponement or, at the best, piecemeal construction on funds available out of current revenue.

The Committee noted that in the United States, state and municipal bonds are federal tax exempt. In this way the federal government gives considerable assistance to the two lower levels of government in borrowing necessary funds at a low interest rate. This exemption applies to state toll authority bonds as well and permits the marketing of these bonds at approximately a 1% lower interest rate."

No.3 was as follows:

" The toll method of financing permits the construction of a complete system early and thereby increases the economic effect of a major traffic artery in the jurisdiction, actually encouraging industry and providing a stimulus to the economy without increasing taxes on the general citizenry. The direct and indirect



economic benefits may in fact offset much of the expense of construction of the toll facility within a very short time. The construction of the expressway benefits the entire community as well as the special group which makes direct use of the road. Savings in time of travel, vehicle wear, and accident damage are startling when calculated on a money value basis for each user."

I think I might illustrate that by referring to the New York Thruway. It is 400-odd miles long, and was built in two and a half to three years.

It was built by floating a very large bond issue, and then taking that money, and saying to the contractors, "We want to build this road from Buffalo to New York city, and we want to build it all at once, and we want it completed in a very short time".

If that road had been built on a piecemeal basis, out of current monies, it might easily have taken fifteen or twenty years, but when it was done in the fashion I have just mentioned, and tolled, and the tolls used to amortize the costs, it was possible to build the whole road in a very short time.

Our conclusion No. 4 reads as follows:

" Where the toll method of financing is





instituted, such roads should be planned and constructed to form an integrated part of the entire highway network. Toll projects should be designed to ensure that their use will produce the maximum benefit for all citizens of the jurisdiction. This requires that toll facilities be under Government (Provincial) control, and administered through a separate Provincial Board reporting to the Minister of Highways. It is the proper responsibility of the Government to plan the construction of highways and assist in the construction of improved municipal roads. This is true even when the toll method of finance is required, for the planning engineers should not allow toll facilities to obscure inadequate development of the remaining parts of the highway network. Controlled access express-highways may, in fact, place an added strain on certain sections of the present road system unless interchanges and secondary roads are designed to siphon off, without congestion, the induced traffic flows."

Toll roads bring problems which extend beyond the toll road itself. That is quite true, because when you get a large volume of traffic on a toll road,



when it reaches the end, it has to go some place, and they must be planned very carefully.

Conclusion No. 5 reads:

" The ever changing aspects of the motor vehicle tax system must be studied and revised whenever circumstances merit. New fuels and more efficient vehicles able to operate with greater loads, can complicate a tax system based on gasoline gallonage. In fact, the transportation field is a dynamic one, with constant technological improvements and developments. The taxation system and the highway construction program should keep pace with new developments and not attempt to impede progress by unnecessary restrictions. These restrictions are in part caused by insufficient amounts of money available to the construction engineer to build roads to high enough standards to accommodate all vehicles regardless of weight. Weight loads which can be moved economically by motor transport have sharply increased in the last few years. Secondary roads, because of their lighter construction, suffer most from heavy transportation movements. This requires a new approach in the classification of roads and streets. The





construction of each road limits the type of vehicles it can carry without undue deterioration. Secondary considerations, such as heavy traffic in residential areas, must also be considered."

You must continually think about changes in the methods of taxation, to keep the methods fair to all concerned, and raise the amount of money to build the roads you need.

We found that toll roads, by and large, cost more money to build than freeways. That is a result of various engineering features which must be built into them. You have to control your accesses more carefully, and that means more underpasses and overpasses, and, consequently, more expense.

We also reached the conclusion by analyzing our highway expenditures and revenues in this province, that we are not securing sufficient money at the present time to build the roads the province needs, and that leads to the conclusion that if we want the roads, we will have to devise some method of securing more money to build them. That is why we are studying the problem of toll roads.

We also came to the conclusion that before any road was built, a completely impartial survey as to feasibility of such a road from a financing point of



view should be made by an engineering group, preferably traffic engineers, in order that we do not make the mistake of building or attempting to build a toll road, and then finding the road will not bear the traffic placed upon it.

Finally, we came to the conclusion we might look to the Federal government for assistance in our highway programme. We had three reasons for that. First, a complete highway system in Alberta, or Ontario, or wherever it may be, makes a distinct contribution to the economic life of the country as a whole, and we felt that some of the cost should be shared on a Canada-wide basis.

Secondly, we feel that national defence is served, and must be served, by adequate highways.

Thirdly, we feel the Federal government is taking a great deal of money from the automobile drivers which they do not get back, at least as far as their automobiles are concerned.

We have a Federal sales tax, and whether you realize it or not, every time you buy a gallon of gasoline, you pay 1.8 cents to the Federal government. It is not called a "gasoline tax", it is called a "sales tax".

Then there are excise taxes and one thing and





another, and all we get back is for the Trans-Canada Highway, and while the Trans-Canada Highway is a laudible effort, and should be built, nevertheless, the serious traffic problems do not exist in the area where the Trans-Canada Highway runs.

That is a very brief background of our conclusions to date.

We made certain recommendations to the Legislature, which were accepted at the last Session of Parliament.

Our first recommendation was:

" That the Legislature accept the principle of a toll method as a practical system of financing the construction and maintenance of multilane controlled access highways and urban expressways and special high cost structures, such as bridges, causeways and tunnels."

We accepted the principle, and I wish you would bear that in mind. What we are trying to do now is to determine where the principle is applicable.

Recommendation No. 2 reads:

"That the feasibility of each project be considered through an impartial study by experts of detailed data on actual and predicted traffic volumes, and construction costs. A calculation should



also be made of the contribution to the economic development of the province generally and the social advantages to all our citizens."

No. 3:

"That consideration be given to the basic contribution of each project to the province generally and that the possibility of a portion only of the capital cost of any project being financed and amortized through the imposition of a toll be considered."

In other words, if the traffic did not warrant or did not produce revenue to carry the whole cost, perhaps some consideration might be given to the province accepting some portion of the cost, and the balance to be liquidated through tolls.

Recommendation No. 4 reads:

"That any facility which is subject to a toll charge shall become free when the payment of the facility has been completed, including the government contribution."

We do not want any self-perpetuating organization running these facilities forever. We feel it is only a method of paying for them, and once they are paid for, they should revert to our free highway system.

Recommendation No. 5 is:





"That no consideration be given to the construction, operation and maintenance of toll roads in the province by private companies."

Our thinking there is that these roads are such an integral part of our highway system, that they must remain completely under the control of the Department of Highways.

Then finally, Recommendation No. 6:

"That a Commission or Board be established as the authority to conduct the necessary investigation outlined above and to administer any toll facilities established in the province, such Commission or Board to report to the Minister of Highways."

These are all very general conclusions, gentlemen, and we will bring in a report next March as to where -- if any do apply in the province -- these principles can be applied. We have not made up our minds as yet.

I might say there is a divergence of opinion within the Committee. We have not done the final threshing out to arrive at our conclusions, but we feel, before we do reach any conclusions, we must give the citizens of the province, and particularly the southern portion of the province, that is, the area where they



might be imposed -- an opportunity to be heard, and we felt we should come to you to find out how you are thinking, and what your opinions are, so we can take your opinions away with us for further consideration.

That is why we are here this morning. We have held meetings in Kitchener, London, Chatham and Windsor; we are here today, and will be in Welland this afternoon, and in Fort Erie tomorrow. Probably, sometime later in October, we will tour the eastern part of the province.

There is one problem we have taken upon ourselves, and that is the imposition of what is called the "weight-mile tax". This arose out of our conclusion that a toll road is just another method of raising money. Some of the States have adopted the so-called "ton-mile tax", the "weight-mile tax", or the "axle-mile tax". These are based on the weight of a vehicle, plus the number of miles it travels, the theory being that the heavier the vehicle, the more necessity there is for building high-class roads to carry that vehicle, and the greater number of miles it travels, the greater damage it does to the road, and the greater upkeep is necessary.

It is a tricky problem. We do not know much





about it. We hope to, however, before we are finished.

There are several organizations which will appear before us in Toronto, and they are making a detailed analysis of the problem, and we hope to secure a great deal of assistance from them. That is a problem which also concerns us.

There are two briefs I have noticed here. We are here to answer questions, gentlemen, and to receive information, and if we can, we would like to give whatever information is desired.

I see that Mr. Cook, of the Hamilton District Labour Council is here, and I understand he has a brief, and Mr. Saunders, who is Vice-President of the Hamilton Trucking Industry Council is also here.

If anybody else has any brief to present, we will be happy to receive it, or, as individuals, if you would like to question us in any way, we will do our best to answer. After all, that is why we are here.

We did receive a very complete brief at one of our public meetings in Toronto last year from the city of Hamilton, the County of Wentworth, and your Suburban Roads Commission.

If Mr. Cook is ready, I think we would be glad at this time to hear from him.



S T U A R T     C O O K ,

and  
Secretary, Hamilton/District Labour Council, appearing  
before the Committee, but not being sworn, deposes and  
says:

THE WITNESS: Gentlemen, Mr. Reg. Gisborne,  
M.P.P., Vice-President of the Council is with me. He  
is also a member of the Ontario Legislative Assembly.

BY THE CHAIRMAN:

Q. We will be very glad to receive your brief,  
Mr. Cooke, and to hear anything you may wish to add.

A. Thank you, Mr. Chairman and gentlemen.

I have a short brief, which, with your per-  
mission, I would like to read at this time.

Q. Will you please proceed, Mr. Cook ?

A. It is as follows:

"Gentlemen:

The Hamilton & District Labour Council  
CLC is pleased to present its views with respect  
to the problem of toll roads in the province  
of Ontario and particularly with respect to toll  
roads in this area.

Our brief is based on the fact that ordinary  
people are generally opposed to toll roads. This  
is certainly true as far as the 30,000 workers  
that this council represents."





I might say, Mr. Chairman, in coming to the conclusion that our people generally are opposed to toll roads, may I say that we discussed this matter with our Council, and, of course, part of the heritage of ordinary working people has been their fight for freedom of movement over the years, and part of the opposition to tolls is the historic opposition of the ordinary people to not having freedom of movement from one part of the country to the other, and not be tied to the purse strings.

Although this Committee is not studying toll roads from that angle, it must be remembered that there were toll roads at one time in the history of the British people, and it was a difficult thing to abolish them, and many people were harmed by the use of those toll roads.

So, we always have thought, that this means of raising revenue should be restricted, and that has to do with the opposition of our people to tolls as such.

The brief goes on:

"We believe that there is no excuse for tolls on roads which are built as a necessary means of communication. It is our feeling that any necessary roads should be financed out of



general revenue.

The principle of a toll is that those who use the facilities provided will pay directly for them.

Obviously, if this principle were applied throughout the province generally on necessary roads, the sparse population in the northern part of Ontario would have to pay prohibitive tolls because the number of automobiles per mile of road is so few. If it is of service to this province as a whole to have communications by means of roads and highways, then it seems apparent that it is the responsibility of the province as a whole to pay for these roads and highways.

People who advocate toll roads have argued that those who use them most would pay the most, but it is not necessarily the most frequent user who should contribute the most. For example, the wear and tear caused by a passenger vehicle on the Queen Elizabeth highway between Hamilton and Toronto cannot be compared with the wear and tear caused by heavy transports on the same highway.

Further to this, a person using a highway



like the Queen Elizabeth highway between Hamilton and Toronto in a passenger car as a means of travel for pleasure or personal reasons is not in the same category as an individual or a corporate body using that road for private profit. Obviously, the persons who use the road for private profit are in a far better position to pay for the wear and tear that they cause, than is the individual who travels for pleasure or personal reasons."

Here, Mr. Chairman, we would like to point out that they are better able to pay for travel they are making under a system of making profits, than the persons who use it, after they have paid the necessary costs for means of making a livelihood, and using the highway only in the sense of recreation or for some personal need.

This goes on:

" Tolls are an expensive way of raising revenue, particularly when the machinery for collecting tolls has to be set up in addition to the present means of financing."

Mr. Chairman, there is evidence of the expense which is incurred. I think you have information available that if this idea is accepted, you will have





to build accesses, but they would necessarily have to be controlled. You have to build extra stopping places where tolls can be collected, and you have to pay for personnel to collect tolls, in addition to the present structure for raising funds, therefore, it would be very expensive, in terms of income, as compared to increases in the general revenue, where the machinery is already set up.

This goes on:

"If revenues are too small to provide necessary roads, the province would be far better advised to increase the revenue from current sources than to institute an expensive means of raising revenue such as tolls.

It is our feeling, even if toll roads were provided, that in no case should they be built where an alternate highway is not available."

In other words, we do not want to tie the people to one road, on which people have to pay, as a means of transportation.

Then the next paragraph:

" Any such alternate route ought to compare favourably in distance and conditions.

No segment of the public, however small, should be placed in the position of being



forced to use toll roads -- otherwise, that segment would have some measure of restriction placed on their freedom of movement."

That comes back to our general feeling that tolls are restrictive, if there are not alternate means of transportation.

Then the brief closes:

" With respect to the Hamilton area particularly, let us first say that if a toll road were built as an inter-city toll road, we would have no objection to part of it passing through the city of Hamilton -- of course, bearing in mind that we are basically opposed to toll roads in the first place.

However, as far as intra-city travel goes, we do not believe that, in this area, or in any other, the ability of people to pay should determine the standard of road available to them, particularly as between segments of the population in any one municipality. If the whole of the people in any municipality can only afford one standard, that is one thing, but we do not believe that ability to pay should determine one worker's ability to get to and from his residence to his work on a public road in better time or under





better circumstances than another.

It is our understanding that your Committee has dealt with the idea of charging a toll on the Burlington Skyway. Our arguments with respect to charging tolls for highways and roads applies to bridges just as well.

In the case of the Burlington Skyway, it seems fantastic that intelligent people would even consider charging a toll when one recognizes the fact that many workers proceed in and out of Hamilton over the Burlington Beach strip to and from their residences every day. A toll of any reasonable amount would mean an automatic reduction in the standard of living of the workers and families, who find themselves in these circumstances. Why these people should be penalized because they happen to have chosen the present location for their homes is beyond us.

The report of the proceedings of the Select Committee appointed by the Legislature of the province of Ontario to enquire into and report upon matters in connection with toll roads in the province, Volume XII, Tuesday, January 10th, 1956, shows that Controller MacDonald of Hamilton estimates traffic, especially during the summer,



to be Hamiltonians, over this strip, approximately 500 to 1.

Let us say at the outset that we do not represent the views of any commercial organization and what proportion of the traffic is commercial we are not prepared to estimate -- but we do represent the breadwinners of over one-third of the population of this city. What proportion of automobile operators are represented by this Council, we have not determined. Suffice it to say that substantial numbers of the workers represented by this Council are automobile owners and operators and we can state emphatically for this Committee that workers represented by this Council are unalterably opposed to a toll on the Burlington Skyway."

Mr. Chairman, I would like also to point out to you that the Automobile Association has made its feelings known to many of its members, and many of the members of the Automobile Association, of course, are members of our Council.

It is our understanding that they who do represent the drivers who have reason to join their organization, are opposed to toll roads as well.

I know that toll roads have been thought of



as the coming means of financing highways for some time, in certain parts of the United States, but toll roads in the United States have not shown themselves to be as proper a means of raising finances as the proponents of the idea had thought.

I have here an editorial which appeared in the "Toronto Daily Star", under date of September 19th, 1956, which reads as follows:

" Both the minister of highways and the chairman of the legislature's select committee on toll roads have recently made statements indicating the government is still considering the possibility of introducing pay-roads in Ontario. But Whaley-Eaton, an American investment service, states that toll roads have had their day in the United States and predicts no more of them will be built there, at least for many years.

The reason for this changed attitude toward toll roads, says the investment service, is that they have not lived up to expectations financially. In fact, toll bonds with a par value of \$100 have been down to \$90 consistently recently; and some on roads along fringes of main developments have dropped as low as \$60.





The main trouble is that revenue has been much lower than was expected, especially from trucks.

Yet this evidence that toll roads are rather shaky investments seems not to have impressed the Ontario authorities. Highways Minister Allen stated a few days ago that engineers of his department are going to investigate the possibility of building a new non-access four-lane toll road from Toronto to Hamilton.

Recently the New York Times stated toll roads are at the 'disillusionment phase' in the United States. The Christian Science Monitor went further and said bluntly that so far as long-range travel is concerned they have proved a failure. For one thing, trucks are more and more returning to free roads. In order to lure them back the Pennsylvania Turnpike recently announced a 20 per cent. reduction in truck tolls. At the same time, it increased passenger car tolls more than 40 per cent."

I do not think that is the proper means of raising revenue, if we want to maintain freedom of movement in this province.



The Toronto Telegram also had an article on the same date, September 19th, 1956. It did not go into this particular aspect of it, but there is some indication here that the people who are in western Ontario -- which seems to be the area this Committee feels, if anywhere, toll roads might be built -- we find here:

" No advocate of toll roads for this province has proposed conversion or construction elsewhere than in the area known as Western Ontario. It is significant, therefore, the the Legislature's select committee, at hearings in Western Ontario centres, has discovered no enthusiasm for this form of super-taxation.

At Kitchener, the one brief submitted was in opposition. It was from a big labor organization. The municipalities of Kitchener, London and Chatham submitted no briefs. A Westminister township councillor suggested that parts of Highway 401 be made subject to tolls. As Chairman Robarts later pointed out, the number of access points makes this impracticable. This applies also to the Queen Elizabeth Way, In any case, according to John Yaremko, MPP, motorists who have used the QE Way through the





years have already paid for it.

A popular notion about toll roads may account for a proposal by one township councillor that revenue from toll highways 'be used to improve municipal and county roads'. First calls upon that revenue, however, are capital cost repayment and maintenance charges.

There was some talk about federal aid as in the United States -- where the federal government taxes gasoline, oil and tires and generously redistributes part of the money for state roads.

The Legislature committee started off last year with a report from the traffic section of the Highways Department listing Windsor-Fort Erie as the only stretch of highway it could recommend as a possible toll road. Residents of the area promptly opposed this idea, and the secretary of Highway No. 3 Association was on hand at the committee's London hearing to renew opposition.

Following these hearings, Chairman Robarts said his committee is 'still far from certain' that toll roads are the answer to Ontario's highway problem. That problem is comprised in a big backlog of construction and a demand



for more highways. To be realistic about it, the province can either go on borrowing money to build roads, adding to its debt, or increase motor taxation and live within its means."

I merely point out if that is the case where people have been told that toll roads would be more feasible, surely it should not be considered for extension into other parts of the province.

It is our feeling, Mr. Chairman, that even though this kind of tax was repugnant at the time it came out, it does not itself restrict the natural freedom of the people, and we ought, therefore, to continue to raise funds for the expansion, building and maintenance of our roads and highways through the present forms of general revenue.

THE CHAIRMAN: Are there any questions any member of the Committee would like to ask?

BY MR. AULD:

Q. I was interested in a couple of things. Before you sat down, you said the organization was opposed to tolls, and any mileage form of tax. Do I understand your group is opposed to the weight-mile tax or the axle-mile tax for trucks?

A. We are opposed to a toll which is measured



by weight, such as the weight-mile tax, about which you are speaking. We have not investigated it specifically, but if it is a form of taxation or toll, we would be definitely opposed to that, because in some way it would have a restrictive measure in it.

Q. In the opening of the brief, you mentioned that if toll roads were widespread, as far as the population in the northern part of Ontario, they would have to pay a prohibitive toll and so on. We all know the cost of the high-standard, controlled-access, divided, four-lane highways, in other words, the initial cost being up to five times the cost of the present standard King's Highways, depending on the terrain and so on.

If, carrying that line of reasoning further, we increased the gasoline tax in the province, say, by three cents a gallon, to have these high-standard roads in every portion of the province, it would mean the people in northern Ontario and eastern Ontario, and in other places, would be paying, in their gasoline tax, for a road of higher standard than they might ever have an opportunity to use.

I do not think if, as mentioned in our report, a high-standard road were built, and a portion of the cost of it was paid out of general revenue, say a percentage





of the cost of an ordinary standard road, and a toll was levied to liquidate the additional cost, because of the high standard of the road, and the greater safety values, and the speed and comfort, and so on, I am sure a great many people would think it was a more fair method of taxation, rather than to tax every person in the province equally for a road which they might never use.

A. I rather doubt that is so. You say that the cost of a four-lane dual highway is about five times as much?

Q. It can come to that. It would, in any case, be from three to four times as much.

A. That sounds funny to me. It might be, with overpasses, and so on. I do not know the figures, but I would say about the roads in the sparsely-populated area, certainly the tax revenue from the people in the area, from gasoline or otherwise, is a good deal less per mile on that road, than would be the case, even if you had a high-standard road, in a heavily-populated area.

I submit that is true. For example, if, in Hamilton, we were able to have first-class roads, -- I have not consulted anybody about this -- but if we had first-class roads throughout the city, that would



only come about, because the people in this metropolis -- enough of them -- would be there to pay for the roads.

But I do not think it would be any suggestion that it is unfair to say that the people of Hamilton should have them, if there are sufficient here to pay for them.

I do not think your suggestion that we spend up to five times as much on roads which are servicing the population of the province, in a ratio better than five to one, than we do in the sparsely-populated areas, because the greater per cent. of the population is in the smaller groups.

Q. You say in your brief:

"If it is of service to this province as a whole to have communications by means of roads and highways, then it seems apparent that it is the responsibility of the province as a whole to pay for these roads and highways."

A. In a particular area, yes.

Q. Then you say, under our normal educational system, that the people in the province are entitled to as good a standard as any education?

A. A good standard, but not necessarily an equal standard. We do not have much in education, but there is not much comparison. I submit that a single school



room in northern Ontario, in the back concessions, is not to be compared with our modern schools which we have now, with all their facilities for manual training, and so on.

Q. And a school where they take the children to school by bus --

THE CHAIRMAN: I think we had better not discuss schools.

BY MR. AULD:

Q. I have one more thing; because a man drives on a gravel road, he gets about 10 per cent. less gasoline mileage -- or a little better than that -- than he would on a better road.

In other words, the man is not suffering on a gravel road, but according to some figures, anybody using a gravel road is paying more for transportation.

A. That has happened in areas surrounding Hamilton.

BY MR. MacDONALD; M.P.P.:

Q. Mr. Cooke, I think there is one point to bring up here. It seems to me there is a basic fallacy in Mr. Auld's argument, and I think you have made it publicly, and that is this; when you stop to consider that in one week, on the Queen Elizabeth Way, there are more cars travelling between Hamilton and Toronto, than there are during a whole year on a northern highway.





I think the suggestion that the people in the south are not paying for their highways, just does not hold water.

If you had an increase in your tax which is distributed all across the province, instead of a toll down here, where we have built more four-lane divided highways, what would happen would be that the people here would be making a greater contribution to the cost of the roads, which they are not doing at the present time, at least the car drivers are not.

BY THE CHAIRMAN:

Q. At the bottom of page 2, Mr. Cook , you say:

"If the revenues are too small to provide necessary roads, the province would be far better advised to increase the revenues from current sources than to institute an expensive means of raising revenue, such as tolls."

Can we gather from that, that you are in favour of an increase in the gasoline tax if it is necessary to provide money to build more roads? I am not trying to "put you on the spot".

A. You are to this extent, that you are picking out the one paragraph, and asking me if I am in favour of it.

Q. I will put it this way --



A. I do not want to dodge the question. I want to explain it.

I feel the present sources of revenue should be increased, if we need more money. Whether an increase in the gasoline tax is the best source of revenue to increase, I do not know.

Our people would not be opposed to an increase in any or all of these, if it can be shown to be necessary.

Q. That is a very interesting problem to this Committee. We presently raise our money from the gasoline tax, and the license fees, and, as I have pointed out, I think on an average over the last five years, these sources have produced 65 per cent. of the money which has been spent on roads. We will either maintain that relationship, or it will become greater, or become less.

There is a philosophical question here, and I am interested in your answer as to whether the highway users should pay more than they are paying today, in order to provide better roads, from either the gasoline tax, the registration fees, or the P.C.V. fees.

A. We have not weighed this up too carefully, but it may be that the percentage now being borne by the users of the roads, is not the correct percentage.



Perhaps more should come from the general revenue.

BY MR. ROOT:

Q. The thought which ran through my mind as you were reading your brief, suggested that we increase our revenues by raising the general taxes across the province.

Would you favour the province stop building these controlled-access highways, which are premium roads, and replace them with a lower standard of roads, and increase the hazards on the gravel roads?

I think you will agree that our industrial development has had a great expansion, and has followed the superhighways. You can see it from here to Toronto and from Toronto to Oshawa.

If we are going to finance a road from the general taxes, then it is better to have a controlled-access highway, than a gravel road.

A. You have to build roads in accordance with the needs which are shown. I think you have to have more of these controlled-access highways.

As you say, industry seems to centre around them, and perhaps industry might pay a greater share than it is doing now. Perhaps we should balance the matter.

I would submit, if industry uses these roads,





and follows these great new highways which are being built -- as you say they are; I have not studied it; it looks to me, as a person going by, that they are -- that perhaps a larger part of the corporation tax ought to be applied to the building of these kinds of roads. That would then come from the general revenue, into the finances of the highway department.

Q. Following that line of reasoning, I think you are quite aware that Ottawa is taking 91 per cent. of the corporation tax, which we do not receive.

A. That comes back to the question of tax rentals.

Q. You might have a point there, but I have found, in the main, that industry does not absorb any costs of operating; they pass them on. When the labouring man gets an increase in wages in the steel industry, the price of steel immediately goes up, and the consumers had to pay for it.

A. It would have gone up anyway. Industry has brought about an increase in their prices whenever they can,--

MR. MacDONALD, M.P.P.: The price of steel was increased three times the increase in wages.

BY MR. CHILD:

Q. You opposed the Burlington Skyway, because there are local residents who would use it. It would



still not be their sole means of travel, but they could use what they have been used to all their lives.

If you have ever lived in this area, you would realize that the Burlington Skyway is actually a premium road for getting to and from certain points quickly.

If they wish to use it, they could pay a toll, and if they wish to go on in the same way of life, they would still continue to use the old road.

A. It is the question of the people of this area being assured that the previous method of transportation would be continued. Is there anybody in the province to give that assurance?

Q. I would say that the Skyway would not be tolled at all, unless the present road was left as a freeway.

A. Then that is a matter of negotiation between the province and the Dominion.

Q. I do not think so.

A. Is not the present bridge operated between the province and the Dominion?

Q. I believe the bridge is a Federal responsibility.

A. It is not maintaining the convenience, but it would be a matter of negotiation between the Federal authorities and the province.



Q. If the present means of transportation across the bridge was left as it is, would you still be opposed to it?

A. Yes, because it is not an equal alternative. Half of the time it is closed by the boats, unless I am speaking of something different than you are.

Q. No, we are speaking about the same thing. Do you believe it is fair to build and maintain a highway for American users who travel in the millions of cars, but who pay little or no taxes for the upkeep of our roads?

A. Yes, I believe so, because we have a fairly large tourist industry, and we have spent a great deal of money to increase it, and build it up to the wonderful point it is today.

I think perhaps that is part of the cost of having them come here.

Q. You believe that a toll road --

A. That would be repugnant to them.

Q. To pay a toll?

A. Yes.

Q. For your information, at a meeting which was held by the Canadian Good Roads Association, in New Brunswick, about which we read in the press last week, a member of that Association gave to this Committee the





opinion that the American authorities, which were interested in tourist and truck industries, said that if Canada would build a good road, they would be happy to come here and pay for it.

A. That might happen in New Brunswick. They do not happen to have a road nearly as good as the one leading to the northland. I have crossed that area myself.

BY MR. AULD:

Q. While we are speaking of the Burlington Skyway, I see Controller MacDonald, of Hamilton, is here. The figure given on the last page of the brief was that "Hamiltonians use that highway five hundred to one".

I think that was reversed.

CONTROLLER MacDonald (Hamilton): When our deputation appeared before your Committee, there was quite a lengthy discussion on this very subject, and as I recall my remarks, I was asked by two or three members of your Committee for some remarks on the Burlington Beach situation, and I pointed out that during the summer and at certain other times other than Hamilton people were using that Beach road, at a rate of 500 to 1, and it had become almost impossible for the people on the Beach strip to get to and from their own residences. If an additional facility was tolled, then these people



who live on the Beach would have access to their residences.

I did not say there was "500 to 1 Hamiltonians on the Beach strip". That would be completely ridiculous.

Your member, Mr. MacDonald, M.P.P., said that on the Labour Day weekend, more people travelled on that Beach strip than on all the roads in the north country, but they are not all Hamiltonians. I have seen them lined up for miles, and they were nearly all people from the United States.

THE WITNESS: If we have misused Controller MacDonald's statement, I am sorry.

BY MR. ROOT:

Q. There is one question I wanted to ask regarding the Burlington Skyway.

You feel it should be free? In the information which was given to the Committee last year, we were told there were some 120 bridge structures in Ontario which should be replaced. This is part of the backlog of work which was built up during the war years and during the depression.

Do you~~th~~ink this Burlington Skyway should be free?

Would you prefer to wait until we catch up with the backlog, or do you prefer to have it tolled, so



that the rest of Ontario will be getting what can be called "fair treatment"?

I do not see simply because we have waited twenty years, why we should go on waiting to have some of the bridges rebuilt.

A. I do not think this bridge is part of the backlog of twenty years ago.

This bridge which is now being used is really a very temporary structure. One span of it was knocked over by a boat, and it is a very temporary structure.

The bridge which was there before was very inadequate for the traffic; it was like one of the old wooden bridges which crossed the creeks back in the counties. There is considerable traffic going across this bridge.

BY MR. AULD:

Q. There are other bridges in the counties now.

A. But they do not carry the traffic this bridge does.

As it was built originally, it was a wooden bridge, with strips of metal down the centre. We have had a very temporary arrangement, since the accident.

But I would suggest this is part of the backlog, and should be replaced.

The Skyway, as it is proposed, certainly should





be a freeway, because it is a main road.

If the figure Controller MacDonald gave you was "500 to 1", it shows a tremendous number of users through the whole province.

I understood him to say that it was used 500 to 1 by Hamiltonians. If that is the case, it becomes a local thing; if not, it is a matter for the general province, and I think it should be done, because it is necessary.

The number of people in the Hamilton area who would use it is tremendous.

BY MR. ROOT:

Q. I am not suggesting the bridge should not be built, but the point is are you satisfied to have the present bridge left as it is? I am thinking of a bridge in my own riding. I drove over it yesterday, on a highway which has been a highway since 1937, and the gross capacity of that bridge is five tons, and yet it is carrying traffic from western Ontario into northern Ontario.

There just is not money enough to build everything we need, and the reason I brought up the question of tolling the super-structure --

A. Perhaps some of the phantom bridges should be moved down there.



Q. They have not been pointed out to us as yet.

The question I raised is, do you think it is justifiable to spend money on one structure, when there are 700 or 800 structures over the province, which need attention?

A. I think so, in this kind of an area, with the kind of use it has.

BY MR. CHILD:

Q. Mr. Cook , you mentioned the Automobile Club being opposed to toll roads. May I ask you from where you got that information?

A. I have that with me, too. Some of our members who have been members of the Automobile Association have been told by letter concerning the problem of toll roads, that the organization is opposed to them.

MR. AULD: That is very well put.

MR. CHILD: Yes, that is very well put, because in Kitchener, an executive of the Ontario Motor League, before the Committee, said he found himself in a somewhat embarrassing position in that he was representing an organization which was opposed to toll roads, but that he himself, and the present group he represented at that meeting, were very much in favour of them.

He said the odd part about it was that the executive members of the Ontario Motor League have never



been consulted; there has never been a poll taken on it, to see whether they were opposed or not, but it was stated in a brief submitted to the Committee that they were opposed to it, although the executive in Kitchener was not aware of it.

A. I will not take the responsibility for the management or mismanagement or the good or ill running of the Ontario Motor League. I have no connection with it, except that I use its services.

BY MR. CHILD:

Q. They went on to point out to us that the Ontario Motor League, as a body, was opposed to toll roads.

A. I had my information handed to me by members of our Council, and some of them are members of the Motor League.

THE CHAIRMAN: Gentlemen, we have other delegations here, and we want to afford them an opportunity of being heard.

However, before we leave the question of the Burlington Skyway, there is a principle, of which undoubtedly Mr. Cook is aware, which has been applied in other jurisdictions, as far as these toll structures are concerned, and that is, the local residents who make constant and daily use of this facility -- use it





day after day -- going to and returning from work, in some jurisdictions are given the opportunity of buying an annual pass, which will take them on and off the structure at any time.

Speaking personally, I think that would be a very feasible solution to the problem of the residents of Hamilton who would like to use such a structure to get to and from work, and who could use it four times a day for a relatively nominal amount, with an annual pass, or ticket, or whatever you want to call it, which would take him on or off the bridge as many times as he likes.

On the New York Thruway, if you have a New York State license, I think they charge \$20. a year, and they are allowed to go on and off a road 400 miles long at any time during the year, and that privilege is open to anybody who is registered in New York State.

We realize the problem of the man who would use it in his day-to-day life and work.

On the other hand, there is the other factor, that of people from other jurisdictions who are using our facilities and are not paying for them.

THE WITNESS: We have a habit of forgetting that we use facilities in other jurisdictions when we are away, and we do not pay for them.



This would be simply a reciprocal arrangement, and it is only where no other means can be found to finance a super-structure, that I feel a toll is justified.

I think the toll charged on the bridge across the Niagara Gorge, could have been financed, if the two governments had sat down and worked it out, instead of having it tolled.

I do not think that tolls are an efficient method of raising money.

MR. AULD: We will pay for it in the end, somewhere.

THE CHAIRMAN: Thank you, Mr. Cook. We are in no doubt as to your position.

MR. GISBORNE, M.P.P.: I would like to ask one question if I may, Mr. Chairman.

THE CHAIRMAN: What is it, Mr. Gisborne?

MR. GISBORNE, M.P.P.: Has not the Ontario Motor League made an official presentation to this Committee?

THE CHAIRMAN: Yes.

MR. GISBORNE, M.P.P.: Has it been recognized as official?

THE CHAIRMAN: It was presented by its General Manager, and we have accepted it as such.

We have not gone looking for the information



about which Mr. Child was speaking; that information came to us gratuitously when we were holding our meeting in the city of Kitchener.

MR. GISBORNE, M.P.P.: Perhaps it was just a row between members of the League.

THE CHAIRMAN: That may be so. We do not know.

Now, I believe Mr. Saunders, of the Hamilton Industrial Organization, would like to address us.

---The witness retired.

C L I F F O R D      S A U N D E R S ,

President, Hamilton Industrial Organization, appearing before the Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q.        What do you wish to say to the Committee, Mr. Saunders?

A.        Mr. Chairman and members of the Toll Road Committee: I do not want to become involved in any toll road discussion or weight-mile tax discussion, because I am not familiar with them.

I understand this will all be discussed, as the A.T.A. is going to meet with your Committee after you have completed this survey, so I am not in a position





to make any committal on that.

All I want to say is that I approve of the viewpoint of the Trucking Association, in regard to increasing the licenses, and all I have to submit here are some facts in regard to that matter. This reads:

"From the attached 'TRANSPORTATION FACTS' dated February 1st, 1956 it will be noted that commercial motor vehicles represented 17.7% of all vehicles on the road, excluding government-owned vehicles and motor cycles, but paid 50.5% of revenue received by the Department of Highways in motor vehicle fees -- this was for the year ending March 31st, 1955.

Figures for the Government's year ending March 31st, 1956, have not been officially released."

From this "Transportation Facts" it was shown that the 68,000-pound gross weight truck paid, in registration fees, and P.C.V. fees, \$984.

These trucks would secure about four miles per gallon of gasoline, and the gas tax for 100,000 miles, that is, the total gas tax, would be \$2,750., making a total tax of \$3,734. for each particular unit.

I do not know how you will raise this money. I know it is gone.



I know you have to have money for toll roads, but we honestly think the trucking industry is being taxed to the limit now. We think we are paying too much tax as it is.

I can refer to one firm in the city -- I will not mention the name -- but when the new increase in registration fees came into effect this year, it cost them an additional \$40,000 in license fees. And for the first five months of operation, this company operated at a loss, which they could bear, because they had plenty of hired trucks on the road, and since the increase was derived from an increase in freight rates, and so forth, that has been offset.

I think any increase passed on to the trucks will mean a very definite increase in the freight rate charges. That seems to be quite clear. That is not to mention all the excise and sales taxes we pay, which are, I suppose, hidden taxes.

I have not much to say, except to give you an idea.

I have a little article which was sent to me this morning, which appeared in the Toronto Telegram, dated Tuesday, June 16th, 1953. It was entitled, "Trucks Paying Way and More in Ontario", and in there is an excerpt quoted from the then Deputy Minister of



Highways, Mr. J. B. Millar, in which he is quoted as saying:

"People say trucks are not paying their way, but the motorists are driving on roads paid for by trucks."

That is about it.

I have nothing else to explain, but to show you our situation with regard to increases. We are not for nor against toll roads. The meat of this discussion will be brought up by the A.T.A., which is the Automotive Transport Association, I believe, later on in October.

THE CHAIRMAN: Thank you, Mr. Saunders. Are there any comments any member of the Committee would like to make?

MR. CHILD: We heard at one of our meetings that the truckers were only paying one-fifth of their fair share of taxes -- correct me, if I am wrong in that respect. I believe they were from American figures.

MR. MacDONALD, M.P.P.: I do not recall anything of that sort.

MR. AULD: I think the statement was that the maximum in New York State was around 68,000 or 70,000 pounds. They were paying five cents per ton-mile to haul their freight, whereas the passenger cars were





paying 25 cents.

BY MR. CHILD:

Q.       What is the charge by your company? Of course, you have to operate with a profit. How will your freight rates compare today with five or ten years ago?

A.       I believe that the transport companies today -- it is a very competitive business; we have the rails and other means of competition.

          We are not operating today on a lackadaisical system. We have been faced with increases in the cost of labour, and we have been cutting it pretty fine.

          It boils down to the fact that if we had an increase, we would have to pass it on to the consumers.

          It is a well-known fact that twenty-five years ago, the truckers were getting more per hundredweight for hauling steel.

          Here is a little article which might be worth noting from "Transportation Facts" dated the 1st of February, 1956, which reads as follows:

"Mr. MacDonald (C.C.F. Leader) has made the statement that according to a California study, 5% of the vehicles (heavy trucks) are responsible for 50% of road costs. In July of this year, I made a special trip to California for the purpose



of studying their method of taxes, etc., and spoke to a number of competent highway engineers who could find no evidence of any study being made which would confirm Mr. MacDonald's statement."

That refers to a trip by Mr. Joseph O. Goodman, General Manager of the Automotive Transport Association.

MR. MacDONALD, M.P.P.: Mr. Chairman, there are two points here, which I have never been able to get sorted out in my own mind, and I think that will be the job of the Committee within the next couple of months.

I refer to an effort to reconcile assertions from people presenting two points of view.

We have heard the trucking industry is really one with its back to the wall, which Mr. Goodman says will have to be built up. It strikes me, if that were the case, we would not have our phenomenal increase in the last fifteen years, which is continuing.

It is certain that people are not coming into an industry in which there is no profit. That is sort of a truism, which speaks for itself.

The fact of the matter is that in the United States -- I do not know whether it is true in Canada or not -- the trucking industry, according to Mrs. Long's testimony, which I re-read yesterday to refresh my mind,



is the fourth-highest paying industry in the United States.

THE CHAIRMAN: Just what does that mean, Mr. MacDonald?

MR. MacDONALD, M.P.P.: Presumably its profit level is the fourth highest.

THE CHAIRMAN: Is that profit on a dollar investment?

MR. MacDONALD, M.P.P.: It did not spell it out. It is in our records.

There are just one or two points I may make on this. The other point is that Mrs. Long's testimony was that while there is objection to any new taxes in every one of the States, in one place they suggested they raise the licenses, and the truckers were in favour of it, but if you move into another State, the truckers are opposed to any raise there, and that is true all across the board.

We had the information that 52 per cent. of the cost of these modern, four-lane highways were necessary to meet the needs of 4 per cent. of the truckers who are using those roads.

There is one final point; two or three times on our western trip in Ontario, the suggestion was made that if the weight-mile tax was placed onto the truckers,





it would be passed on.

Again, whether it is the whole story or not, I am not in a position to say, but in our own records, Mrs. Long's testimony, in regard to the New York experience, was that it was not passed on, that the profit levels in the industry were such that they could absorb it, but even if it had been passed on, it would have resulted in an increase of one-quarter cent in the cost of each \$10. article.

That is her testimony on this specific point.

THE WITNESS:

You made mention a little while ago about people rushing into the transport business, and the growth of it.

If you are familiar with the P.C.V. licenses, I do not think you will find that people have been rushing into it; it is a matter of an increase in the license.

No one rushes into the transport business without getting a P.C.V. license, and to my knowledge, there has not been anything to show that people were "rushing into the business".

MR. MacDONALD, M.P.P.: The business is increasing.

THE WITNESS: I will grant you that. In 1950, I increased my fleet by one-third, because to satisfy your customers, you have to maintain and keep up with their growth and expansion.



I feel we have a great obligation to maintain that business.

I am giving you all the facts, and I do not think any transport would mind showing you its books, to show you the situation, and if you studied them, you would see they are increasing the costs.

THE CHAIRMAN: I think it is rather unfair to single out the trucking industry as opposed to an increase in taxes, because, let us face facts, you and I would be opposed to any increase in taxes any place, anywhere, anytime.

I know that I would oppose an increase in taxes on real estate, automobiles, and so forth.'

MR. MacDONALD, M.P.P.: Would the imposition of the weight-mile tax, tend to eliminate what has been considered by impartial students of the tax situation, as being a highly improper tax?

THE CHAIRMAN: We have only listened to Mrs. Long. So far, we have only heard one side, and we will be hearing the other side, and then we will hear from the railroads, who will undoubtedly be in favour of the weight-mile tax, and will no doubt present a good, well documented brief.

When we have heard all of that, then probably we can come to some conclusion.



MR. ROOT: Mr. MacDonald, M.P.P. said that 50 per cent. of the cost of the highways is on the trucks. What is his authority for that?

MR. MacDONALD, M.P.P.: The information was quoted to us in our Committee. It must be in the record fifteen times if it is there once, that in California 52 per cent. of the cost of modern, four-lane, controlled-access highways were put into the cost of the highways to meet the demands of 4 per cent. of the traffic, which are the truckers.

The obvious answer at this stage is "That is California; this is Ontario".

This question was put to our own departmental officials whose judgment you may question, if you want to, but I would be inclined to accept their statement that it is a definitely valid statement.

While they have not made a survey of the transport industry, and cannot give exact figures, but from all they know, we must have thicker highways, wider highways, and all the requirements for heavier vehicles, so much so that the cost is close to doubling.

THE WITNESS: May I read this little excerpt, which was sent to me this morning?

"Mr. MacDonald, (C.C.F. leader) has made the statement that according to a California study,





5% of the vehicles (heavy trucks) are responsible for 50% of road costs. In July of this year I made a special trip to California for the purpose of studying their method of taxes, etc., and spoke to a number of competent highway engineers who could find no evidence of any study being made which would confirm Mr. MacDonald's statement."

THE CHAIRMAN: You say that came from Mr. Goodman, the Manager of the Automotive Transport Association?

THE WITNESS: I assume it does.

MR. CHILD: May I ask a question of Mr. Saunders?

THE CHAIRMAN: Certainly, Mr. Child.

BY MR. CHILD:

Q. You said the company would be willing to produce the figures? Do I take it that an audited report could be submitted to the Committee for study?

A. I do not see why it could not. I do not know whether it would be a fair average or not, but I do not see why they would not, if it was going to illustrate a point.

Q. The Automotive Transport Association might include that in its brief.

A. I will leave the meat of this discussion to the Automotive Transport Association, because I perhaps



have said more now than I should.

My point today was to prove the truckers' viewpoint, and I represent the Hamilton and District Trucking Industry Council.

HIS WORSHIP MAYOR JACKSON: I do not want to give evidence, but I would like to ask a question or two regarding this statement.

On page 20, of your "General Observations" in the interim report, you say:

" The Government of The State did not feel that it was in the public interest to increase motor vehicle taxation sufficiently to obtain the necessary revenue to build urgently required controlled access expressway or high cost bridge facilities. Practical economics and the belief that the motor vehicle user should not be assessed beyond a fair tax burden was construed to mean that the construction of high cost projects was not sufficiently in the general public interest to deserve a levy on all motor vehicle owners and operators whether users of the facility or not."

In the first place, I want to know what you gentlemen mean by "practical economics". Are you sure you do not mean "practical politics"?



Then, what is meant by "a fair tax burden"? I never have heard of a "tax burden" that was considered fair.

THE CHAIRMAN: Some taxes are more unfair than others.

HIS WORSHIP MAYOR JACKSON: Everything has to be paid for, and if the people are not in a position to pay for it, who in the Devil will pay for it? Is it the woman who uses the washing machine? How will you tax it?

It seems to me that your Paragraph No. 1 is rather confusing.

THE CHAIRMAN: Mr. Root, have you any comment to make?

MR. ROOT: Mr. Chairman, along the line of the suggestion that the tax burden is not fair; in rural Ontario, where we have no superhighways, the gasoline tax is exactly the same for driving on a gravel road, and being restricted to half-loads during certain months of the year, so you are actually paying a greater tax for the use of an inferior road.

That is our thinking as to why, on a super-highway, with lower grades, and stop lights eliminated, and a road built to a standard which will carry the heavy trucks, and perhaps the drivers getting more miles





to the gallon, and paying less gasoline tax than a man driving on a poorer road, is why we are considering this question of toll roads.

HIS WORSHIP MAYOR JACKSON: I can see that point, but what I am coming at is this: if the people who use the facility do not pay for it, who will pay for it?

We have the postal system in the post offices, and we use them, and they are expected to carry their costs themselves. Is this not something in the same category?

I am not simply talking; I am asking, and I contend that we should not object too much to a tax on fuel.

I know you can find inequalities in any phase of municipal, provincial or federal governments, but I do not know anything more equitable than the tax on fuel, because there you have control of the man using the facility.

MR. MacDONALD, M.P.P.: May I attempt to answer His Worship Mayor Jackson, Mr. Chairman?

THE CHAIRMAN: Yes.

MR. MacDONALD, M.P.P.: There are two theories of taxing highways. One theory is that the users pay and the other is that both the users and those who



benefit pay a fair proportion, which is accepted, by this authority (indicating) and others, as roughly being on a basis of three to one. It seems to me a fair proposal is that the users should pay 75 per cent. of the cost of highways, and the other 25 per cent. should come from those who benefit, and those who benefit, if you take a look at one of the modern highways, include industry and the community as a whole, but particularly industry.

Therefore, a theoretical proposition I think is about one-quarter of the cost of the highways should come from general revenue, in addition to what comes from the car users themselves.

Then, if I may make a comment on your suggestion, Mayor Jackson, that the gasoline tax is a fair proposition; again that is divided between the car owners of the province, and the trucks which, because of their great weight wear out the roads much quicker.

HIS WORSHIP MAYOR JACKSON: How would that be equalized by increasing the tax?

MR. MacDONALD, M.P.P.: It should be covered by a weight-distance tax.

HIS WORSHIP MAYOR JACKSON: What is the relationship between the tax on gasoline in Ontario and the average tax in the United States?



THE CHAIRMAN: It is higher, to a certain extent.

I would say the average tax in the United States is about five cents per gallon; then they have a two-cent federal tax, which brings it up to seven cents, and, of course, their gallon is smaller than ours.

I am not sufficiently a mathematician to figure that out quickly, but I think it probably averages about eight cents. We are paying eleven cents here.

HIS WORSHIP MAYOR JACKSON: Was it not part of the plan of the Federal government of the United States to aid in paying for the roads?

THE CHAIRMAN: Yes. That was the latest scheme, passed, I think, at the last session of the Congress.

We have not made too close a study of it, but it has had quite an effect on the toll road system, because the Federal government was taking over a great deal of the expense of highway construction in the United States.

MR. MacDONALD, M.P.P.: Did you say the Federal tax was two cents?

THE CHAIRMAN: If there is an additional increase, it will become, I think, four cents, which





will make their tax from nine cents to ten cents, I believe.

MR. MacDONALD, M.P.P.: Very close to our own?

THE CHAIRMAN: Yes.

MR. CHILD: I think there is one thing perhaps we have overlooked. In the United States, the Federal government collects the tax, and turns it back to the States for the road construction. I think they would have to be slightly higher here than in the United States jurisdictions. I think, across Canada, the tax is less in Canada.

THE CHAIRMAN: No, there is one, I think, which is one cent higher.

MR. AULD: It might be interesting to His Worship Mayor Jackson to know that the estimated Federal revenue totalled \$1,750,000,000. for the years 1950 to 1953, and the Federal expenditure from 1950 to 1953 approached \$175 million, or about 10 per cent. of the total revenue, and that is why we are so heavily taxed, and why a great many motorists feel that more should go back into the roads --

THE CHAIRMAN: The weight-mile tax may be a more equitable tax, but you may lose all the advantage of your equity, if you run into administrative costs,



which run 10 per cent., 12 per cent., or 15 per cent. of the amount collected, whereas, by increasing the gasoline tax an additional penny which will go directly into the fund for highways, because you have not added anything to the collection facilities over what you have had.

You are balancing all the factors, and it is quite complex.

HIS WORSHIP MAYOR JACKSON: I did not understand the words "practical economics". However, I am not in a position to argue. I always discuss these things.

THE CHAIRMAN: I hope we never argue, but always discuss.

HIS WORSHIP MAYOR JACKSON: I go to bed at night, and try to get to sleep, and then start thinking of these things.

I think the transports are almost in the same category as the post office, figuring postage the way we pay for it. If I do not use it, I do not have to pay for it. If I want to do my business by wire, I pay for it myself, but if I use the mails, I pay as I use them.

It seems to me that something along that principle could be applied to the automobiles.



I do not know if a fair tax burden is on the Government get the most out of it. I will admit that part of it belongs to another field. It is rather hard to draw the line, and say "Three to one", or "75 per cent.". It is too difficult for me.

I think the Federal government in the United States recognized that, when they added the additional two cents. It may add up to more than two cents.

THE CHAIRMAN: That is so.

Now, getting back to "practical economics": in writing our report, we were thinking of a State such as New Jersey, a corridor state, which has a tremendous amount of traffic running through it, and they must provide better roads, even though a majority of the traffic is not licensed in the State, unless they garage at certain times in the State.

Is it impossible to build the roads which are required, without charging the motorists of the State. It is impossible from a dollar-and-cents point of view, because - -

HIS WORSHIP MORTON JACOBSON: Is not Hamilton a corridor city?

THE CHAIRMAN: That may be so.

HIS WORSHIP MORTON JACOBSON: That is one of the big problems. We are a corridor east and west.





We get a great deal of traffic, and we get all the gasoline fumes.

THE CHAIRMAN: I wonder what your thought would be on the possibility of a new highway, possibly running from Toronto around Hamilton, and down to Niagara, which would be in addition to Highway No. 5, Highway No. 2 and Highway No. 401, which would be designed to carry the high-speed traffic you have -- and I think you have much more of it -- which road would be built and designed as a toll road, and if you did not use the road, you would not have to pay for it.

HIS WORSHIP MAYOR JACKSON: You mean a toll road from Toronto through to Windsor?

THE CHAIRMAN: No, from Toronto, around Hamilton, with an access into Hamilton --

HIS WORSHIP MAYOR JACKSON: To where?

THE CHAIRMAN: Down into the Niagara Peninsula -- perhaps to Niagara Falls.

I am just thinking out loud, but our traffic counts indicate that sooner or later in the very near future another road will have to be built between Toronto and Hamilton.

The project we get from our engineers is that it will only be about six years before another road will be necessary, in addition to the completion of



Highway No. 401.

HIS WORSHIP MAYOR JACKSON: What is the relation between Hamilton and Niagara Falls, and Hamilton to the west?

THE CHAIRMAN: You mean from Hamilton to Fort Erie?

HIS WORSHIP MAYOR JACKSON: To the Niagara Peninsula.

THE CHAIRMAN: From Fort Erie --

HIS WORSHIP MAYOR JACKSON: You speak about a toll road from Toronto, skirting Hamilton, but Hamilton would have access to it, and it would not interfere with our present system? Where do you go from there?

THE CHAIRMAN: You have a greater volume of traffic, as I understand it, down to the Peninsula, than you have from here west, because your traffic from here west would largely be looked after by Highway 401, when the length between Woodstock to Highway No. 27 is completed.

It has nothing to do with any road that is used now. It will parallel a good road, as good as any in the province, and possibly not have to be tolled, as some others might.

MR. CHILD: Perhaps His Worship was thinking about the road we have been discussing; it is the north-



west entrance to the city.

HIS WORSHIP MAYOR JACKSON: Yes.

MR. CHILD: Make that an entrance up to Dutch Corners, and widen it, to carry the traffic through into Hamilton.

HIS WORSHIP MAYOR JACKSON: On that assumption, I would say that you eventually would need this road. I would assume it would skirt Hamilton, and would go down the escarpment --

THE CHAIRMAN: That is right.

HIS WORSHIP MAYOR JACKSON: I will say that very soon you will need both roads.

MR. CHILD: It would not cost Hamilton anything.

THE CHAIRMAN: It will be a fabulously expensive road. They were telling us that to acquire the rights-of-way alone, before you put in a spoonful of gravel, would be very expensive. It may be the means of getting the province to build it in another fashion. I do not say it is, but it is possible.

HIS WORSHIP MAYOR JACKSON: In considering the traffic situation, and the question of toll roads, you consider that a road from Hamilton to Toronto is the most urgent?

THE CHAIRMAN: Yes. You have a problem here





now, and the traffic experts, who have spoken to us, indicate nothing but an increase in that problem, rather than a decrease. You somehow get the feeling that with every day's delay, you will make the situation worse.

Mr. Elliott, do you wish to say anything?

MR. ELLIOTT, M.P.P.: Mr. Chairman and members of the Committee; it is getting rather late, and I do not want to take up too much time.

I know I am supporting you in your studies of this very important subject. But there are a few features I would like to bring to your attention, which have struck me rather forceably.

If I go down and buy a new automobile, I pay a toll in the way of hidden taxes behind the scenes for that automobile.

Before I can take it out, I have to pay a toll in the form of a license fee, and then I have to have some gasoline in the tank, in order to make it propel itself down the road.

So there are three good-sized tolls on that automobile, without which I cannot move it.

We have quite a scattered population in Ontario, and the entrances to the highways will require a terrific number of men to set up an organization for a



brand new toll collecting system, for the use of roads, which we now use free, and it will only add to the costs of the motor cars to the motorists, but will not improve the highways.

I think one of the important jobs for this Committee is to study ways and means of preventing the hidden tolls we have on our automobiles, and if that is done, I think the toll road could be eliminated completely.

MR. MacDONALD, M.P.P.: Do you agree that the financing on the basis of a weight-mile tax is an improvement on the present toll system?

MR. ELLIOTT, M.P.P.: I think it is your job to consider it. When you bring in your recommendations, I will pass judgment, but not now.

MR. MacDONALD, M.P.P.: I have never been more in agreement with Mr. Elliott than I am today, and I think the weight-mile tax is something which will be much more equitable.

I was just curious about Mr. Elliott's view.

THE CHAIRMAN: Thank you very much, Mr. Elliott.

Is there anybody on the floor who has any comments to make, or any questions to ask?

HIS WORSHIP MAYOR KEMP (Dundas): Mr. Chairman and gentlemen; I am not here to say very much, and I will



just speak verbatim on this subject, as I see it.

It was a little difficult, from where I was sitting, to follow the line of discussion. However, I feel this Committee has a terrific problem to face.

When we first started the Ontario highway system in the province of Ontario, the big thing was that the urban municipalities seemed to think the highway traffic should go through their municipalities or corporations, whichever it might be.

Now, with the present cost of construction, and so on, we have come to realize that now is the time when the trucks and other traffic should be funneled around the municipalities simply on the basis that you, Mr. Chairman, and His Worship Mayor Jackson, were discussing a few moments ago.

Unless something comes to pass to take care of that -- this is not applying only to the city of Hamilton, as we are all aware of the discussions municipally, and there are others in the same position in regard to the volume of traffic -- at least these local municipalities -- we feel they will be of no material advantage.

I cannot, in my humble way, think of any other way by which you are going to increase your revenues on a basis which is fair and equitable to those





who use the highways, except the construction of toll highways.

I think the one thing for which we are all striving is that those who use the highways should pay, in accordance with the use of and the service which they receive from the highways.

If I wanted to go from here to Windsor, I do not think I would object to paying a toll to get on to a controlled-access highway, which would take me right through without all the trouble of passing through towns and cities, and so on, as is necessary on the two-lane highway.

This weight-mile tax is something which you, Mr. Chairman, and your Committee, will have to work out. I really believe, when you get down to the facts of it, and figure these things out, you will find it is quite a workable problem, and I think possibly the effect is as has been suggested this morning, that the Highway Department will have to have so many dollars to put into the construction of these roads up to a standard whereby they will serve these commercial enterprises you have now or will have along the highways, and, therefore, they should be, as far as possible, funneled onto these toll highways.

Thank you, Mr. Chairman and gentlemen.



THE CHAIRMAN: Thank you very much, sir.  
Are there any other contributions?

MR. DAVIDSON (Ancaster): Mr. Chairman and gentlemen; I was asked by our Reeve to attend this meeting, and to pass back to our Council the feeling of this Committee.

Our community is a small one, and is evenly distributed between urban commuters and farmers.

Briefly, the feeling is that anything which will relieve the congestion on the existing highway is well worth consideration.

We feel we have a bad situation, in that we have people working in the city living there, but also people who have to make their living on the land, and our Board of Education spends a great part of its appropriation, and a good deal of its time, getting the children down to school now and back again safely, and they are operating school buses, and so on.

We have one major highway and several provincial highways through this small township. We are all interested in costs. Those things are important there, and it is, of course, true, that the present volume of traffic is affecting the lives of the people who live there.

I may say there is no break in the truck



traffic which goes through our little town, and through the township.

Thank you, sir.

THE CHAIRMAN: Thank you, Mr. Davidson.

Are there any further statements anyone would care to make? (No response).

Are there any comments any member of the Committee would like to make?

MR. ROOT: I think, since the weight-mile tax has been mentioned, it should be pointed out that Mrs. Long said there was a 50 per cent. evasion of that tax. I think that is a terrific amount of evasion.

The gasoline tax is almost foolproof; you just cannot beat it. Your license fees are foolproof. You cannot drive very far without a license on your car.

A toll road is foolproof, because once you are on the highway you cannot get off without paying.

I think those things should all be kept in mind.

Theoretically, there is nothing wrong with the weight-mile tax for some trucks and trailers, and others with heavy loads.

I thought I would pass out that thought, and bring our thinking to the fact that there is the problem of evasion which is present in any tax which is self-





assessed.

MR. MacDONALD, M.P.P.: It should also be pointed out that the 50 per cent. evasion arose from the fact that they have not implemented 50 per cent. of their own enforcement provisions, which they envisaged, because they have had court cases, and numerous legislative battles, which have confused the thing.

For instance, they were to have 120 weighing stations, not only to serve the public, but in regard to the weight-mile tax, but at the time Mrs. Long appeared before the Committee, they had only 20 in operation.

Clearly, you cannot expect the tax to be effective in practice, if you do not provide full enforcement.

THE CHAIRMAN: The weight-mile tax will require a great deal of study by our Committee. It is an entirely new subject. We have nothing to go on in the province. We will have to get our information from outside the province. It is an extremely controversial subject amongst those who know it best.

HIS WORSHIP MAYOR JACKSON: Is it generally accepted, that you are justified in putting up with a certain amount of inequality for the sake of simplification?



THE CHAIRMAN: Yes, that is true. You have to balance these things, one against the other, and to achieve perfect equality, you will be using a great portion of the tax money in equalization and it just is not worth it.

HIS WORSHIP MAYOR JACKSON: You say that two cents a gallon is not fair, because they are driving on gravel roads?

In my opinion, gravel roads are getting very scarce, and there may be a little inequity there, but it is trifling, as compared to what you will find elsewhere.

MR. ROOT: There is a stretch of 30 miles on No. 6 highway, and No. 10 highway, that is not a paved highway, and everyone travels on gravel roads, and they are very much dissatisfied.

HIS WORSHIP MAYOR JACKSON: But to get your cattle to the stockyards, you are using the main roads?

MR. ROOT: That is one thing we have to keep in mind in regard to the weight-mile tax, that is, the revenue coming from one source, that is, the truckers.

In my riding, 60 per cent. of the business communities are served by trucks, and the farmers approximately 100 per cent.

If we need more revenue -- and I think the



Committee agrees we do -- and you increase the cost to the truckers, then you will affect certain areas of the province and exempt other areas.

Theoretically, there is nothing wrong with the weight-mile tax, but when you get into it, you find you are applying it more in one area than in another.

If you are going to have the superhighways free, and have the license fees increased, the rural areas just have not got it. If you are going to apply a tax which applies to one industry, and not to another, then it is not equitable.

MR. AULD: Mr. Chairman, in Canada, 5 per cent. of the total roads are paved. In Ontario, the mileage of rural highways and roads paved was about 10,900, and there is about 70,000 miles altogether, so our percentage in Ontario would be higher, but it is still not very high -- 10,000 out of 70,000.

MR. CHILD: Mr. Chairman, when Mr. Saunders was speaking about passing the increase in taxation to the consumers, I came across an article here, a submission given in Albany, New York, which might be interesting to the gentlemen here.

Mr. Evans, General Manager of the New York Thruway, stated that one particular trucker, a gentleman I think by the name of Vogel, was very much opposed to





using the toll roads when they were first started.

Later on, Mr. Vogel made a statement to Mr. Evans, and he said that during the nine months of the operation of the Thruway, he had never operated without a scratch on his trucks before, and his saving in wear and tear on the trucks, and in his insurance costs, more than compensated for the amount of the toll.

Also Mr. Evans brought out the fact that on the Thruway, the death rate was 2.6, as compared to an annual average of 6.7, state average. So it was about one-third, as far as fatalities were concerned, and the amount of the toll actually paid for itself in the reduction of the insurance premiums.

Apparently, the toll road itself pays for the cost of bringing the goods in from other localities and because of this and the controlled-access, the accident rate was considerably reduced, which would not be possible on a highway where people were coming in every quarter of a mile, whereas, on toll roads, it is about once every twelve or fourteen miles.

So, from the safety point of view, there is something to be considered.

There is a great deal being said for safety at the present time, and if we could cut the fatalities down 20 per cent. or 30 per cent., it would mean we would



be saving from 150 to 200 lives per year.

THE CHAIRMAN: Gentlemen, are there any further comments? (No response).

If not, I think we might bring our meeting to a close.

Before we do that, I would like to hope that we have left you with some concepts of the problem with which this Committee has to concern itself, and also the problem facing this province in connection with highways.

Regardless of what your points of view may be as to the rectification of the situation, I think we are all agreed that a great many more very expensive roads are necessary, and will have to be paid for one way or the other.

I wish to thank you, Your Worships, Mayors Jackson and Kemp, for being with us this morning. We have enjoyed being in Hamilton, and enjoyed His Worship Mayor Jackson's contribution to the discussion, and I also would like to include all those who have contributed to our deliberations this morning.

If there is nothing further, we will adjourn, to meet in the Royal Connaught Hotel, for luncheon.

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---Whereupon, at 12:05 o'clock p.m., the further proceedings of this Committee adjourned until one o'clock p.m. this afternoon.

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A F T E R N O O N   S E S S I O N

Hamilton, Ontario,  
Thursday, September 27th, 1956,  
1:00 o'clock, p.m.

- - - -

The further proceedings of this Committee  
reconvened pursuant to adjournment.

PRESENT:

His Worship Mayor Jackson (Hamilton), Toastmaster  
Presiding.

Messrs. John Robarts, Q.C., Committee Chairman.

Child,

Auld,

Mackenzie,

Sandercock,

Manley,

MacDonald,

Root,

Mr. D. J. Collins, Secretary.

- - - -

APPEARANCES:

Mr. R. E. Elliott,

M.P.P.

Mr. Berry,

City Clerk, Hamilton.

Mr. W. Griffin,

Deputy City Clerk,  
Hamilton.





Mr. B. Lawrence,	Chief of Police, Hamilton.
Mr. David Duncan,	Alderman, City of Hamilton.
Mr. William Colliers,	Deputy Chief Engineer, Hamilton.
Mr. J. MacDonald,	Controller, City of Hamilton.
Mr. C. Saunders,	Hamilton.
Mr. Kemp,	Mayor, Dundas.
Mr. Reg. Gisborne,	M.P.P.
Mrs. Pritchard,	Controller, City of Hamilton.
Mr. Davidson,	Ancaster.

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P R O C E E D I N G S

at a

LUNCHEON, TENDERED BY HIS WORSHIP MAYOR JACKSON, TO  
THE MEMBERS OF THE COMMITTEE, HELD IN PRIVATE DINING  
ROOM "C", ROYAL CONNAUGHT HOTEL, HAMILTON, ONTARIO,  
THURSDAY, SEPTEMBER 27TH, 1956, AT ONE O'CLOCK, P.M.

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---Whereupon the luncheon was served.

THE TOASTMASTER: Mrs. Controller Pritchard  
and gentlemen: I do not want to make this formal in any



way, shape or form. As you know, Mrs. Pritchard is here. She is a Controller, and a member of our Board of Control, and is very handy to have in our midst, and I want to tell you that she adds a sense of decency to any luncheon or any festive occasion which she may attend.

We are very glad to have as our guests today, the Select Committee of the Legislature engaged in investigating the subject of toll roads, and, after all is said and done, you are here representing a great many parts of Ontario, and that means a great deal.

Sometimes I think we do not get sentimental enough; we get sort of "hard boiled", because, after all is said and done, sentiment and emotion have a great deal to do with the things we do.

Sometimes I wonder if we really realize what a wonderful country we have, and what a wonderful province it is in which we live.

I know you will forgive me if I just go on for a moment, and say that I remember here in 1950, when the Press Conference of the British Commonwealth of Nations was held here. There were about 150 people here from the Commonwealth, and Mr. Ker, of the "Spectator" entertained them at the club. We had people here from every part of the Empire, New Zealand, Ceylon, and



Tasmania. We had them here black and white.

I remember Lord Astor, whose wife was the daughter of Lord Minto, a former Governor-General of Canada, a very charming woman.

I remember extending greetings to this group in 1950, and we walked out along the parapet looking over the city, and there was the city in front of us, the industry on the Bay, and a narrow strip of blue water leading into Lake Ontario, and over to the left, you could see the Flamboro hills.

Lady Astor took me by the arm and she said, "Mr. Mayor, this is the most beautiful city." I think, if I had had a glass I could have seen the Bank of Commerce in Toronto, one of the largest buildings in the Empire, and the Royal York Hotel. She said, "I have never seen anything like this." She said, "God has been very gracious to you here", and I said, "Lady Violet, God has been gracious to this part of Ontario, and, in fact, to all of Canada."

Then we had a meeting here of the Mayors and their wives from Cornerbrook, Newfoundland, to Victoria, British Columbia. There were over 700 people. They came from some little hamlets, places in Quebec, Manitoba, and from Estevan and Melrose, Saskatchewan, a group of very delightful people to meet, from all parts of Canada.





They were discussing Canadian ideas and problems; they were all discussing the same thing, discussing problems of traffic, Mr. Robarts, and problems of the highways, and the problem of the growth of our municipalities.

So, when you come here from different parts of the province, we are glad to have you, because you are trying to solve these problems.

I know what I would do with the problem, and do it quickly, and possibly I would get "thrown out on my ear", but everybody has different ideas, and it is a wonderful thing to get together.

So we are glad you and your Committee have come here for luncheon with us, after your meeting here this morning, and before you go on to another municipality for a meeting in a different section of the province.

MR. ROBARTS, Q.C. (Committee Chairman): Mrs. Pritchard, Your Worship, and gentlemen; we have a problem which the Mayors and Reeves did not have. They can discuss it ad infinitum, ad nauseum, if they are so inclined. We have to write a decision, and when we meet a group such as we met this morning, and be entertained by you and your associates, and have a discussion in this room, as well as those we had this



morning, it is all of assistance to us.

However, we all can not "live in an ivory tower" and listen to the experts, and I think it is the experts who have appeared before us in Toronto, and have given us some very cogent arguments as to why we must do thus and so.

So, even at the risk of "being thrown out on our ears", we must know what the people of the province are thinking, and that is why it is of great assistance, as well as being a great pleasure to be with you this morning, and to join with you on an occasion such as this.

I can say, without reservation, on behalf of the Committee, thank you.

THE TOASTMASTER: I was through the First World War, and am sort of an old timer around here. I will always remember Belgium during the First World War. I remember it was said at that time, I think by one of the late statesmen, speaking of Belgium, "Belgium is not a road; it is a country".

I ask you to remember that about Hamilton.

MR. ROBARTS, Q.C. (Committee Chairman): There is a good Mayor, putting in a final "plug" for his own municipality.

THE TOASTMASTER: These proceedings are now



closed and good luck to all of you. (Applause).

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---Whereupon the further proceedings of this Committee adjourned, to reconvene in the city of Welland, at 3:30 o'clock this afternoon.

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P R O C E E D I N G S

of the

SELECT COMMITTEE APPOINTED BY THE LEGISLATURE  
OF THE PROVINCE OF ONTARIO, TO ENQUIRE INTO AND  
REPORT UPON MATTERS IN CONNECTION WITH TOLL ROADS  
IN THE PROVINCE.

Mr. J. P. Robarts, Q.C., Chairman.

Mr. D. J. Collins, Secretary.

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VOLUME XXVII

Thursday, September 27th, 1956.

WELLAND, Ont.

(Afternoon Sitting)

- - - - -

R. C. Sturgeon,  
Official Reporter,  
Parliament Buildings,  
Toronto, Ontario.



T W E N T Y - S E V E N T H   D A Y

Welland, Ontario,  
Thursday, September 27th, 1956,  
3:30 o'clock, p.m.

- - - -

The further proceedings of this Committee  
reconvened pursuant to adjournment.

Mr. J. P. Robarts, Q.C., Chairman,  
Presiding.

P R E S E N T :

Messrs. Auld,  
Mackenzie,  
Yaremko, Q.C.,  
Root,  
Sandercock,  
Jolley,  
Manley,  
MacDonald,  
Mr. D. J. Collins, Secretary.

A P P E A R A N C E S :

Mr. A. R. McCrae,	Mayor, City of Welland,
Mr. S. O. Mason,	
Mr. R. Amcour,	
Mr. J. S. Romp	Fonthill.



Mr. M. L. Shanks,	Mayor, Thorold.
Mr. C. E. Grose,	Reeve, Thorold Twp.
Mr. R. Palmer,	Welland County Treasury Office.
Mr. H. Minor,	Fonthill-Welland Urban and County Roads Com.
Mr. Roy Morningstar,	Reeve, Bertie Twp.
Mr. P. O. Pietz,	Reeve, Humber Cres.
Mr. M. Swart,	Reeve, Thorold Twp.
Mr. R. J. Aiken,	Suburban Roads Com., St. Catherines.
Mr. Ellis Morningstar,	M.P.P.
Mr. H. Kellam,	Reeve, Pelhar Twp.

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MR. MORNINGSTAR: Mr. Chairman, Mr. Mayor and gentlemen; we are late now, but the members of the Committee were late starting out of Hamilton, and on arrival here, found the bridge was being closed, and they had to go up around the other bridge and it was a little difficult finding their way to the City Hall.

On behalf of the citizens and constituents of this great Welland riding, I want to welcome the Chairman and members of the Toll Roads Committee.

I had the pleasure of requesting them to come to this great riding, and they are here today.

I am pleased to see so many representatives





of the various municipalities at this meeting. I am sure the Chairman and his Committee can see we are vitally interested in the traffic situation in this part of the province.

As you know, and as I have said before, and have said in the House, we have a great county here. We are very highly industrialized, and with the canal going through our county, it works a hardship on the residents here.

I know this Committee is concerned with toll roads, but you all know that when we have a highway, we have to have bridges, or a tunnel, in this city, to get the traffic over the stream of water.

I will say again I am glad to welcome you to this riding.

I have a few figures in regard to the increase in the average daily number of motor vehicles over the last ten years.

No. 3 Highway, just east of Port Colborne, showed an increase in the average daily figure of 1,950 vehicles. On No. 20, we had an increase of 4,300.

Over the same period, our canal tonnage has increased from 12,962,322 tons to 175,142,580 tons.

That shows that the bridges are up more often to allow this tonnage to go through.



I would like now to mention briefly the international entrances to Welland County from the United States.

The increase in motor vehicles annually over a ten-year period, over the Peace Bridge, was 1,522,061 vehicles, increasing to 3,527,048.

At the Rainbow Bridge, there was an increase from 697,240 to 2,341,408; at the Whirlpool Rapids, there was an increase from 483,289 to 1,077,257 vehicles.

These figures cover both the incoming and outgoing traffic. It is estimated there is an increase of about 50 per cent. each way. Using these figures, it indicates an increase of 158.85 per cent. over the last ten-year period.

We know that not all of those cars cross the Welland ship canal here, but a great percentage of them do.

Therefore, Mr. Chairman and gentlemen, that is one reason why we wanted you to visit this part of the County, to show you that we need either an underpass or overpass, under or over the Welland ship canal, to get the traffic through.

I will ask His Worship Mayor McCrae to speak next, and he will call upon the representatives, and they can show that these things are very necessary in



this part of the province.

Again I am happy to have you here with your Committee, Mr. Chairman, and I hope your visit here will be a pleasant one, and will bear fruit, because roads are very badly needed in this part of the province.

With regard to tolls: we know the Federal government is tied up in this matter, and I am sure with a Committee such as we have -- a non-partisan Committee -- you can solve this through the proper authority.

Again I want to say I am happy to welcome you here, and I say again that I hope your visit will certainly bear fruit.

Your Worship, may we have a few words of welcome from you?

HIS WORSHIP MAYOR McCRAE: Mr. Chairman, members of the Select Committee and gentlemen; as Mayor of the City of Welland, I am very happy to extend to you an official welcome here today.

We are well aware of the work you are endeavouring to do in this province, and nowhere can that work be put to better advantage than in this great county.

I am sure that Mr. Morningstar has explained more than once the advantages of this county.





We have the largest county in Ontario, assessment-wise, and we have the second largest population in the province.

Of course, we have changed practically overnight, from a primarily agricultural district to a tremendous industrial community, making a great contribution to the well-being, not only of this province, but of the entire Dominion.

Our people are awaiting with interest the results of your deliberations all over Ontario.

I do not know whether I should say anything further, until you have completed your deliberations.

However, I do wish to extend, on behalf of the Council of this corporation, and all our citizens, a most hearty welcome.

I thank you. (Applause).

THE CHAIRMAN: Thank you very much, Your Worship and Mr. Morningstar.

I think the first thing I should do is to introduce the members of this Committee. Sitting below me, on the left, is Mr. Mackenzie, from Woodbridge; Mr. John Yaremko, Q.C., from Toronto-Bellwoods; Mr. Sandercock, from Belleville; and on my right, at the end is Mr. Root, the member for Wellington-Dufferin, and next to him Mr. Peter Manley, from Stormont;



Mr. Donald MacDonald from York South; Mr. James Auld, from Brockville, and our shorthand reporter.

On my immediate right is Mr. "Don" Collins, a member of the hon. Prime Minister's personal staff, who is the Secretary of the Committee. My name is John Robarts, and I am from London.

I think I should say a word of apology for keeping you waiting this afternoon. We had a very active meeting this morning in Hamilton, and we were a little late leaving there, and that primarily is the reason for keeping you waiting this afternoon.

By way of introduction to the meeting this afternoon, I think I might tell you who we are, what we are, and why we are here, and what we have done to date.

We are an all-Party Committee, appointed by the Legislature, to report back to the Legislature. Our terms of reference concern toll roads, and we took that to include all types of roads, bridges, causeways, and so forth.

This has taken us into the question of highway financing generally, and we are investigating and studying the possibilities of the imposition of a weight-mile tax, which is a tax which has been established in some states of the United States, and is based on



the weight of a vehicle, times the number of miles the vehicle travels in a stated period of time, the theory being that the heavier the vehicle, the greater damage it does to the roads, and the more miles it travels, the greater the maintenance costs.

It is a complicated form of taxation, and frankly, at this stage of the game, we do not know too much about it, but we hope to inform ourselves within the next six or eight weeks, and will bring in some kind of a recommendation concerning that.

We were appointed originally in March, 1955. We ceased to exist when the Legislature was dissolved, and we were re-appointed in September, 1955, and between that time and February of this year, we did some extensive travelling in the United States, conferring with the people who were administering the toll roads and thruways.

We were on the New York Thruway, the New Jersey Turnpike, the Garden State Parkway, the Pennsylvania Turnpike and the Ohio Turnpike.

In addition, we held a series of public meetings in Toronto, and received representations and briefs from various bodies in the province which were interested, and had opinions to express.

I will review rather briefly, our findings.





We prepared an interim report, which is found in this small green book (indicating).

In the time available, we were only able to arrive at certain principles concerning toll roads, and we asked the Legislature to accept the recommendations, based on those principles. I will explain to you what they are in a moment.

What we are doing at the present time is this: we feel that having established the principles, we must decide where, and in what way, those principles are applicable to our province, and that is the task facing us at the present time.

In order to do that properly, we feel we must give the people of the province an opportunity to tell us what their thinking in regard to this matter is.

With that in mind, we are carrying out a series of public meetings, of which this is one, throughout the province. We have been in Kitchener, London, Chatham and Windsor, and were in Hamilton this morning. We are here this afternoon, and will be in Fort Erie tomorrow morning, and later on in the month, it is our purpose to travel down through the eastern part of the province.

We feel that ~~this~~ problem is, in some respects, a local one, and we want to hear what you think about



the problem generally, and whether you feel the principle could work to advantage in your local areas.

We are here to give you information, if we can, and we are also here to seek information from you, in order that when we have reached the point where we have to make up our minds, we will know what you are thinking.

We have found, by and large, five factors, or a combination of two or more of those factors, existed in every jurisdiction which had established toll roads. Some are applicable to our province, and some are not.

I will run through these very briefly, and you can make up your own minds, as we go along.

Our first general observation was as follows:

" The Government of the State did not feel that it was in the public interest to increase motor vehicle taxation sufficiently to obtain the necessary revenue to build urgently required controlled access expressway or high cost bridge facilities. Practical economics and the belief that the motor vehicle user should not be assessed beyond a fair tax burden was construed to mean that the construction of high cost projects was not sufficiently in the



general public interest to deserve a levy on all motor vehicle owners and operators whether users of the facility or not."

That simply means there was a reluctance to (a) increasing the gas tax and (b) increasing the license fees, and (c) increasing all those things which come from the motorists.

Our second observation was:

" Out-of-state traffic would constitute a high percentage of the motor vehicles which would use the highway or bridge to be constructed. This is in most cases caused by motor vehicle traffic passing from one major centre to another and not originating or terminating in the state responsible for such road construction. In this case, out-of-state vehicles could travel over the roads and highways without contributing any tax revenue for the construction and maintenance of roads."

That is true in some parts of Ontario, but in other parts of Ontario it is not true at all.

The third observation was:

" A great backlog of highway construction remained, even after motor vehicle revenues were utilized for construction and maintenance





of the highway system. This backlog was usually revealed by investigation conducted to discover the inadequacies of highways, and predictions on future highway requirements. Highway demands continue to increase to such a degree that construction could not keep pace without resort to some new method of financing which would permit an accelerated highway program."

And the fourth reads:

" County and town demands for increased road construction to maintain and improve transportation arteries have precluded concentrated expressway building programs. This means in effect that highway revenues are not great enough to provide sufficient sums for significant divided controlled access construction, and for subsidization of rural and urban service roads at the same time."

You can only spend a dollar once, and if it is spent on an urban street, it cannot be spent on highways which connect our centres of industrial population, and the pressure from municipalities in various jurisdictions we found was very great.

They needed and wanted the money for their



own problems, thus leaving a lesser amount available for the connecting highway links.

The fifth and last observation reads:

" In a few jurisdictions there is evidence that highway revenues were in part diverted to other state programs considered more deserving. In the main, such expenditures were directed to education and welfare and not used to maintain an adequate highway system."

By that, we simply mean that those responsible for spending the taxpayers' money, in their wisdom, decided to spend the money which was being raised from the motorists on things other than roads, that is, schools, social services and things of that nature.

I might say that is not true in Ontario. Our studies have shown us that out of every dollar spent on roads in this province, the average, in the last eight or nine years, is 65 cents received from the motorists themselves, and the other 35 cents came out of the general revenues of the province, or was added to our debt structure.

Those are the factors which have led to the establishment of toll roads in jurisdictions other than ours, and some of those factors are very true in this province.



Then we came to certain conclusions, which I will cover rather quickly.

Our first conclusion was:

" There is no inherent engineering or traffic control advantage in toll expressways over free roads, such as No. 400, built out of tax revenue and provincial credit.

This statement requires clarification on what is meant by a free road. Such a road is free only in the sense that there is no special levy for travel. Actually, the road is constructed and maintained on funds derived from taxation and provincial credit. In effect, this represents a general toll charge on all owners and operators of motor vehicles, whether they use the road or not. On the other hand, toll facilities charge a specific per mile rate assigned to the various classes of vehicles usually in proportion to weight, designed to return to the investor the cost of the facility plus interest (rates vary from two to four percent.), and as well, leave a margin of safety. This charge is in addition to the tax on gasoline consumed. Such a toll facility, would be described as a self-liquidating





project, constructed and maintained out of revenue bonds.

Any government participation, either through guarantee bonds or direct financial support, avoids the self-liquidating toll road concept. Such government participation would in effect result in the cost of the new project being shared by the general taxpayer and the user.

Although there is no engineering or traffic advantage in a toll facility over free roads of the same standard, usually the construction of such a facility parallels a standard highway, and the premium advantage ensures its popularity with the users. In this case, the users support the toll principle only because of the fact that the express highways otherwise would not be available and that an alternative free road is open to those who wish to choose it."

We have roads in this province at the present time which meet the engineering and traffic standards of any toll road which has been built in the United States.

Our second conclusion:

" Toll financing is an expedient to enable the state to build high cost expressways and



bridge projects quickly on a user pay system, when revenues are below expenditures. The alternative would be an indefinite postponement or, at the best, piecemeal construction on funds available out of current revenue.

The Committee noted that in the United States, state and municipal bonds are federal tax exempt. In this way the federal government gives considerable assistance to the two lower levels of government in borrowing necessary funds at a low interest rate. This exemption applies to state toll authority bonds as well and permits the marketing of these bonds at approximately a 1% lower interest rate."

In other words, tolling a highway is just another method of financing the construction of the highway.

The third conclusion was:

" The toll method of financing permits the construction of a complete system early and thereby increases the economic effect of a major traffic artery in the jurisdiction, actually encouraging industry and providing a stimulus to the economy without increasing taxes on the general citizenry. The direct and indirect economic



benefits may in fact offset much of the expense of construction of the toll facility within a very short time. The construction of the expressway benefits the entire community as well as the special group which makes direct use of the road. Savings in time of travel, vehicle wear, and accident damage are startling when calculated on a money value basis for each user. The Denver-Boulder Turnpike feasibility study estimated that in the 28-years' period to 1980 savings in these three categories to the users would amount to \$37,400,000, or five times the cost of construction and maintenance of the project. The saving per car per trip would be 68c. compared to a toll charge of 25c."

I think I might illustrate that by referring to the New York Thruway, which is over 400 miles long, and it was built in something less than three years.

They simply issued close to one-half billion dollars' worth of bonds and had the money available, and called the contracts to build the road in a very short time. Had that road been built out of current revenue as it became available through the normal methods of taxation, it probably would have taken





fifteen or twenty years to construct. But by using the toll system, they built the entire road in less than three years.

We found that toll roads must be integrated into the highway system, because they carry great problems in the drawing of traffic, and when you get the traffic to the end of your road, you have to diffuse it, and it must be integrated into the provincial system. With that end in view, we came to the fourth conclusion, which is as follows:

" Where the toll method of financing is instituted, such roads should be planned and constructed to form an integrated part of the entire highway network. Toll projects should be designed to ensure that their use will produce the maximum benefit for all citizens of the jurisdiction. This requires that toll facilities be under Government (Provincial) control, and administered through a separate Provincial Board reporting to the Minister of Highways. It is the proper responsibility of the Government to plan the construction of highways and assist in the construction of improved municipal roads. This is true even when the toll method of finance is required,



for the planning engineers should not allow toll facilities to obscure inadequate development of the remaining parts of the highway network. Controlled access express-highways may, in fact, place an added strain on certain sections of the present road system unless interchanges and secondary roads are designed to siphon off, without congestion, the induced traffic flows."

We came to the conclusion that the whole business of reducing taxes on motor vehicles, was in such a state of flux, and we have not devised anything close to a perfect system of taxation, and we could see that any system which could be devised would require constant scrutiny and adjustment, because of the effect of automobiles on our economy, and the tremendous increase in the number of cars on our roads.

That led us to conclusion No. 5, which reads:

" The ever changing aspects of the motor vehicle tax system must be studied and revised whenever circumstances merit. New fuels and more efficient vehicles able to operate with greater loads, can complicate a tax system based on gasoline gallonage. In fact, the transportation field is a dynamic one, with



constant technological improvements and developments. The taxation system and the highway construction program should keep pace with new developments and not attempt to impede progress by unnecessary restrictions. These restrictions are in part caused by insufficient amounts of money available to the construction engineer to build roads to high enough standards to accommodate all vehicles regardless of weight. Weight loads which can be moved economically by motor transport have sharply increased in the last few years. Secondary roads, because of their lighter construction, suffer most from heavy transportation movements. This requires a new approach in the classification of roads and streets. The construction of each road limits the type of vehicles it can carry without undue deterioration. Secondary considerations, such as heavy traffic in residential areas, must also be considered."

We found also that toll facilities, by and large, cost more to construct than a free road built out of normal revenue. There are several reasons for that. You have to control your accesses; you have to build toll booths, and if you are going to





control the accesses, it requires more underpasses and overpasses, and those structures are extremely expensive.

We found that an analysis of the highway expenditures as compared to revenues in this province showed that our present system of taxation is not producing enough money to provide the roads we require, and if we do not get it one place, we have to get it from another, and that is why we are investigating this method of acquiring more money for roads.

We also concluded before any toll roads or structures were built, some feasibility reports would have to be prepared by an independent group of engineers. This Committee is certainly not capable of doing that. We have not the technical knowledge within ourselves, nor would it be proper for us to employ the technical help which would be required. We felt that should be done by the government, on a completely impartial basis, preferably by some agency outside of government.

We also came to the conclusion that we could, with reasonableness, look to the federal government to give us some support in our highway difficulties.

There are three reasons for this conclusion. First, we feel that an expensive highway system in Ontario is of benefit to Canada as a whole. If we built proper highway facilities, which are attracting



industry into this province, that is not purely of benefit to the province, but it benefits Canada, and as such, it is a national matter, and we should expect to receive some assistance.

Secondly, we feel that national defence is served by a proper highway system, and,

Thirdly; when we analyzed it, we found the Federal government was taking a tremendous amount from motorists and giving very little of it back. We have the sales tax, and whether an individual motorist knows it or not, he is paying 1.8 cents per gallon gas tax to the Federal government, in the form of a sales tax.

He also pays a tax on his car, and while we received back into the province some assistance, as far as the Trans-Canada Highway is concerned, that was the only road in which the Federal government participated in this province, and while we all agree that the Trans-Canada Highway is a very worth-while project, unfortunately it is not located in the province where our major problems are.

From these conclusions, we submitted certain recommendations to the Legislature, which were accepted.

The first recommendation was:

"That the Legislature accept the principle of a toll method as a practical system of financing



the construction and maintenance of multilane controlled access highways and urban expressways and special high cost structures, such as bridges, causeways and tunnels."

You will note that was on the basis of principle. As I have said earlier, the application of that principle, is what we are concerned with at the present time.

Recommendation No. 2 reads:

"That the feasibility of each project be considered through an impartial study by experts of detailed data on actual and predicted traffic volumes, and construction costs. A calculation should also be made of the contribution to the economic development of the province generally and the social advantages to all our citizens."

As I said previously, we recommended that any project be studied by an impartial group of experts, before any financial commitments were made, which would have to be liquidated by tolls.

Recommendation No. 3 reads:

"That consideration be given to the basic contribution of each project to the province generally and that the possibility of a portion





only of the capital cost of any project being financed and amortized through the imposition of a toll be considered."

Recommendation No. 4 is:

"That any facility which is subject to a toll charge shall become free when the payment of the facility has been completed, including the government contribution."

Our thinking there is it is just an extension of our thinking that tolling is just another method of building a road, or a bridge, or a tunnel, or a causeway, and the moment a structure is paid for, it should become free.

Recommendation No. 5 is:

"That no consideration be given to the construction, operation and maintenance of toll roads in the province by private companies."

We had one group appear before us who wanted to build a toll road between Fort Erie and Windsor, and they said they were prepared to finance its construction, and operate it, and when it was paid for, it would be turned back to the province. But there was a "gimmick" there. First, they wanted the province's power of expropriation to acquire their rights-of-way; secondly, they wanted the full provincial



guarantee of the bonds issued.

We told them that if that were the case, we might as well build the road ourselves, as we feel these roads are sufficiently basic to our province, that they should not pass into the control of private hands.

Then, Recommendation No. 6:

"That a Commission or Board be established as the authority to conduct the necessary investigation outlined above and to administer any toll facilities established in the province, such Commission or Board to report to the Minister of Highways."

That is a great deal of talk in a very short time, but I did want to give you the background of our studies to date.

Now, we would like to hear from you; we would like to be made aware of your local problems, and if you wish to question us, we will answer to the best of our abilities, and we will comment on any statements you may make, if we may, in order that we may inform ourselves as to your opinions and ideas.

The meeting is now open for any representations anyone cares to make.

HIS WORSHIP MAYOR McCRAE: Mr. Chairman and



gentlemen; we, in the city of Welland, have not prepared a brief, because, actually, we have not considered the subject of toll roads as yet.

The problem which confronts us here is something of great urgency, which we feel your final disposition of the toll-roads issue cannot adequately solve. As a matter of fact, I notice in a Gallop poll, that people generally are leaning toward the initiation of toll roads in Canada, but I can see from my travels in the United States, that we may be confronted with something which is not so beneficial, in that many of the State highways are in a bad state of disrepair, because they have the alternative between a free road and a toll road.

But we have continually expressed to us, the lack of funds necessary to build these roads, and we may find ourselves in such a position, if we embark upon a system of fully-paid toll roads, which will be somewhat similar.

The problem with which we are confronted is the fact that we have a canal barrier and the bridges are up approximately six and one-half hours out of the twenty-four. Our people know what it means to us in the way of lost manpower in industry; our people know what it means as far as our doctors and surgeons





are concerned, and our people know what it means as far as the average person who is interested in getting from one side of the river to the other, sometimes on important matters.

We have spent a great deal of money, and we have a million-dollar road, as good as any, and a similar road on the west side of the river.

We have met with the Chairman of the Welland County Roads Commission, in an endeavour to attack this problem, with a view of trying to relieve the situation.

We have in mind an overpass at Homer, and an overpass at Welland. I do not believe these can be handled by a toll bridge set-up. As a matter of fact, there is the approach to the Queen Elizabeth Way, and we do not think it is a road which should be made a toll road.

Our bridge here, or underpass, whichever the two governments decide in their wisdom, should also not be a toll road, because we are interested in serving the people in this shipping area -- some 80,000 people.

We have been before the Federal government time and time again, and we have discussed the matter with the provincial Prime Minister, hon. Mr. Frost, and

*Maya Moore*



with our good friend, "Jim" Allan, the Minister of Highways, and it would appear that the provincial problem as we have it here is the barrier created by the Federal government, and is one for which the Federal government has some responsibility, as the provincial government has no responsibility, as far as the canal barrier is concerned.

On the other hand, hon. Mr. Marler said he is willing to talk over this situation, when they have reached an agreement with the provincial government.

Personally, I cannot see the wisdom of the provincial government being backward about coming forward, because the provincial roads bring all the traffic to the city, and have a direct effect upon the lives of all our people.

It is true that a situation existed, in that this county has the highest automobile registration in Canada, per capita, in that 79.9 percent. of our eligible people own automobiles.

This happens to be a very high wage area. We have a situation which is complicated by high car ownership.

The problem we have here is that we have been making annual pilgrimages to both governments, and we have not taken a selfish, personal viewpoint of



this, and our city has built a million-dollar highway, and we are endeavouring to get the other county to build a similar road.

We initiated the one-way street system which has partially solved the problem, but we are still faced with the canal barrier, and when the bridge is down, we can push three times as much traffic across as formerly.

I would like an expression of opinion from this austere Committee. Hon. Mr. Frost made some reference to it when the Page-Hersey Company decided to build a new mill. He said we had a situation here, and something would have to be done about it. Based on what I know of government policy, it is not its policy to get into the position of building underpasses or overpasses in a city, and that has created a great deal of chaos.

With regard to the road which carries traffic from the American border to this area: you may enlighten us as to whether government policy has changed, or if there is anything on the boards for such a project.

Hon. Mr. Allan, the Minister of Highways has just recently completed an origin-and-destination study to tie up a new highway with the Queen Elizabeth Way. There are a number of counties which have endorsed such a plan. Our





feeling is that if we should get into the toll-road system, without adequate measures being taken to build up a standard system of highways, we might find ourselves in an unhappy situation.

The highway between here and the border ends with Highway No. 58. There you will find the accident rate is very high, and for that reason hon. Mr. Allan has looked favourably on another link.

We do not stand in the way of toll roads, if it means progress, but we think there are basic needs which must be met before we get into this new system.

The Ontario Mayors Federation have submitted briefs, and we "go along" with you in your thinking that the Federal government should contribute to our roads in Ontario, even as the Federal government contributes to the various States in other countries.

I want to thank you for this opportunity, Mr. Chairman, and before I sit down, I would like to introduce some who are here.

We have first, the Warden of Beattie Township, in this county, Mr. Roy Morningstar, Mr. Swart, the Reeve of Thorold Township, Mr. Pietz, the Reeve of Humberstone, Mr. Shanks, Mr. Grose, and Mr. Kilman, the Dean of the Council, and Mr. Romp, who hails from Fonthill, and who undoubtedly will tell you of the



exploits of their darling, Marlene Stewart.

Then we have Mr. Palmer, from the County Clerk's office, and Mr. Denis, the past-Warden, and present Reeve of Wainfleet.

THE CHAIRMAN: Thank you, Your Worship.

Does any member of the Committee wish to comment on His Worship's remarks? I do not know whether we are in a position, Your Worship, to tell you what the government's thinking is. I do not think we are.

There was this thought went through my mind as you were speaking, to build a bridge over the Welland Canal which would serve the city of Welland, it would be necessary to construct approaches adequate to permit the mastheads to go under, would require a structure possibly four miles long, the approaches stretching two miles on each side, and for a driver trying to get from one side to the other, might have to go two and one-half miles to get on to the bridge and then another two and one-half miles on the other side.

HIS WORSHIP MAYOR McCRAE: That is why we think an underpass is the better answer. We do not mind spending a bit of money. We can do with an underpass, because we could then go down the grade, and through the tunnel or underpass, without the necessity



of building too many structures. It has been estimated that would cost about \$7 million, which, of course, is not "hay".

THE CHAIRMAN: Did your investigation show that an underpass could be built? This is a matter of interest to us. How could you locate an underpass? Could you have both ends of it in your downtown area?

HIS WORSHIP MAYOR McCRAE: Not exactly downtown. We have the Prince Charles Drive, and the debentures will run us pretty close to \$1 million in twenty years. The Prince Charles Drive is situated within six or eight blocks of our downtown section.

We could go into this tunnel, and corner around the Prince Charles Drive, and around Booker Street, and come out at Grover Street.

A prominent firm of engineers has gone over this, and it is a definite possibility.

MR. AULD: Have you any commitment from the Department that it would authorize such an expenditure? Would you get one-third of it?

HIS WORSHIP MAYOR McCRAE: No. Unless we received Federal aid, one-third would not cover it.

Our per capita debt is one of the lowest in the province, and we do not want to go "haywire" on it, and spend more money than any city of our size has been





called upon to spend.

We spent a great deal of money trying to solve the problem which is not ours. I think the solution itself lies in the Federal government. We are the children of the province, and we should not have to call upon the province, like a voice in the wilderness, to make a strong recommendation for relieving our situation.

This is naturally desirable, and, in fact, necessary, and we think we should be given assistance by the provincial and Federal governments, because it will bring traffic to the city of Welland.

We feel that your recommendations for the people along the canal, should be as strong as the recommendations you have made in regard to the new Provincial-Federal tax deal.

THE CHAIRMAN: One thing at a time?

MR. ROOT: I understand there is a problem here. Would you be willing to accept a toll to the extent of the extra cost required for a tunnel, or a high-level bridge, that is, being financed out of tolls?

That is a principle we established last year, that the province might contribute.

HIS WORSHIP MAYOR McCRAE: I think before we discuss the toll aspect for the city of Welland, and



the neighbouring municipalities of Crowland, and Thorold Township, we should have it made known what the details are, because our people have been forced to bear with this inconvenience since the inception of this city, and it does not seem right that the people who cross perhaps a dozen times a day should have to pay a toll. That is the bad feature. I do not think that would solve our problem.

It has to be situated, so that our people, as stated by the Chairman, can get downtown.

MR. ROOT: I think on the New York Thruway, they sell annual passes. If something like that might be worked out for the local people --

THE CHAIRMAN: It seems to me there are two problems; one is moving through traffic, and the other is moving local traffic.

If you build a tunnel, how much traffic out of Welland -- as I will put it -- will it carry? Would it be measured by the highway conditions?

HIS WORSHIP MAYOR McCRAE: The Prince Charles goes clear to Port Colborne, and picks up the American traffic. It could serve more than the Kitchener traffic, or that of the city of Welland.

As a matter of fact, it could handle both sides, the traffic coming to the Prince Charles running



out of Niagara Falls, but our city at the present time does not enjoy the great tourist trade Port Colborne does.

Our great problem here could be completely overlooked, with the idea of the government picking up that traffic at the border. That might be wrong, because a tremendous amount comes from Niagara Falls, and we get it on our highway, and the back roads, too.

We do not intend to turn down the idea of a toll road. If you have any suggestions to put before us, we will consider them.

THE CHAIRMAN: We are trying now to acquaint ourselves with the problem.

If this proposed tunnel was to carry a great deal of through traffic, and that traffic originated at Niagara Falls, its destinations might be Toronto, Hamilton or Kitchener.

Just assume that the local residents could purchase a sticker, say for \$5.00, which would take them through as often as they chose in a year, then it might be feasible to finance part of the costs out of your through traffic, which would be on a through-traffic basis.

HIS WORSHIP MAYOR McCRAE: I do not think you would have enough for that.





MR. AULD: Is the city of Welland anxious to have the through traffic which now comes through, continue to come through, or would you like to see it by-pass Welland?

HIS WORSHIP MAYOR McCRAE: Our through traffic is one of our biggest troubles. Just get out here about four o'clock and you will see what I mean, when I say we have the largest registration in the province, on a per capita basis. Cars line up for miles on both sides of the bridge.

There is no place in Canada like this county.

The Atlas Company has a mill, one of the largest of which I know in the British Empire; the Electro Metallurgical in Crowland again is one of the large companies. Then you have the Inch Mill, and the Page-Hersey mill, Then you have the initial Page-Hersey mill, and now the Gooderich is putting up a  $\$4\frac{1}{2}$  million rubber plant.

These, of course, will make the city more crowded with the completion of this construction. Already options are being taken the whole length of the canal, and we think something will have to be done as soon as possible.

It is true you are not getting a fair "shake" from the Federal government, and the truth is we are not



getting a fair "shake" for the taxes we pay.

I think you people, and the provincial government, will have to take up the cudgel in our behalf, and study all these things very carefully.

MR. ROOT: You are suggesting, before we build a toll road, we call upon the Federal government for more aid?

HIS WORSHIP MAYOR McCRAE: I think so. Our Federation of Mayors, and the municipality of Hamilton, have gone on record stating that the Federal government should contribute toward the cost of highways in all of the province. I think it is a "must".

I think the Chairman raised a good point. What you receive from the gasoline tax and licenses, you make enough to buy an underpass or two.

But the Federal government is doing nothing and I think once these things are co-related to some of the problems we have, which seem important today to our county, I am sure can be readily solved. I do not think we are so reluctant in not doing our fair share of any financing.

THE CHAIRMAN: You put your problem very well, Mr. Mayor. I think we are now aware of something of which we were not aware about a half an hour ago -- at least I am.



I am not particularly well acquainted with your area, although I have passed through it.

HIS WORSHIP MAYOR McCRAE: This is not a small area, and the people feel, if the toll road comes in, that some allowance should be made for our particular problem. We do not have much chance of getting anything, because toll roads have to go where they will pay, and we think our problem ought to be given some consideration.

MR. ROOT: Mr. Chairman, do the people, even with that line of reasoning, support the Federal government in that policy?

HIS WORSHIP MAYOR McCRAE: Look at our situation here, and they support the Party provincially, and it is quite apart from the Federal government.

I think the thinking of the people is very sound and very strong for the policies that are followed here insofar as the division of governments is concerned, but our people are getting a wee bit "fed up", but they manage to get some things, irrespective of Party.

I do feel the point I mentioned about your government taking up the cudgel on behalf of all the canal municipalities in Ontario, will have good results.

Incidentally, there are quite a few cities along the banks.





MR. ROOT: Do you think your people would back us up in that?

HIS WORSHIP MAYOR McCRAE: I certainly do.

MR. AULD: The canal problem in Welland is similar to a problem which has grown up and has become very acute in Brockville, where thirteen railroad tracks cut the town in two, and every time a train comes along, everything stops.

There were a number of complaints made, and finally they changed the water tank. It meant that whichever way a train was going, the traffic stopped.

HIS WORSHIP MAYOR McCRAE: We had a plan for getting over our tracks, but the Federal department regarding grades and crossings will not approve, because they say they are not planned properly. Our engineers say they are.

It is not unusual to see traffic tied up between the tracks and the canal. Some streets dead end at the canal, and the others dead end at the tracks.

Our motto is "Where rail and water meet", and we cannot do more than we are doing, I do not think.

THE CHAIRMAN: Are there any representatives from the other municipalities who would like to make any comments?

MR. SWART: Mr. Chairman and gentlemen; I am



the Reeve of Thorold County, and on the Good Roads Committee. The brief which we have to offer does not necessarily reflect the opinions of those bodies. However, the Mayor has so ably covered the problem in Welland, that there is not a great deal left to say, and my brief will be somewhat repetitious.

I would like to endorse what the Mayor of Welland has said.

I remember coming here one time and coming out of Council, and had to hurry to work, and the bridge was up, so I went east to the railroad, and was blocked by a train, and I worked my way back to the bridge and it was up again, and I spent 40 minutes getting out of Welland. It is a real problem in this area.

I presume you would like to have copies of the brief?

THE CHAIRMAN: Yes, certainly.

MR. SWART: You have already dealt with most of the opinions expressed in the brief.

The brief is as follows:

"Dear Sirs:

I wish, first of all, to express my appreciation to the Government of the Province of Ontario, for appointing a Committee to study



the Toll Road question, and other alternatives, for the construction of needed arterial roads in the province. Undoubtedly, the Committee has before it a great many statistics from its own Department of Highways and Toll Road authorities in the various States in the United States, and I am sure I can add nothing to these. This brief will be confined, therefore, to an expression of opinion, rather than statistics.

It appears that the study of Toll Roads should be divided into two separate parts for a proper analysis. (1) What additional Super-highways (or four-lane highways) do we need in the province, and (2) What is the most economical and fairest way to pay for construction of such needed roads.

The answer to the first question can, without doubt, be readily supplied by the Department of Highways. Traffic counts, obvious bottle-necks, dangerous and slow movement of traffic, plus many other methods of analysis by the Department indicate accurately where so-called superhighways are needed. It is quite obvious that governments of all levels support an increased tempo of construction of such roads, and the public, in general, are in almost





unanimous agreement, according to a recent poll by the Canadian Institute of public opinion.

It is my belief that they are aware too that additional revenues must be secured, and are willing to foot the bill for the benefits received. Moreover, it could be proved that such highways are sound investments. They pay for themselves in faster and cheaper transmission of goods, and the man-hours saved by the multitude of business men making more rapid trips from place to place. No other type of road will long handle the rapidly increasing vehicular traffic between centres of large population. In addition, greater safety factors on superhighways conserve our most valuable asset -- human lives.

The answer to the second question is somewhat more complicated than the first, and is, I suppose, the main reason that your Select Committee was appointed. It is a safe assumption that vehicle owners should pay toward the cost of roads, mainly in the proportion to which they use them, and the type of construction necessary for the particular type of vehicle. There may be some arguments in favour of a portion of the cost of provincial highways being supplied by



sources of revenue other than that raised by charges against vehicles or the fuel they consume, but whether it were a toll road or a freeway, would have no effect on the validity of such arguments. The question then is: How can additional money be equitably obtained from vehicle owners at lowest collection cost?

Tolls on superhighways are not the answer, because: (a) Some proponents of toll roads stress the point that there is no compulsion to use the superhighway, and therefore, anyone using it should pay for the privilege. This argument is based on the assumption that it is somewhat of a luxury road. This, of course, is seldom true. Superhighways have been built in Ontario and elsewhere to handle heavy volumes of motor vehicles, and because of it, are as essential as are two-lane highways elsewhere.

(b) It is unfair to the users of the superhighway, because they will pay what amounts to double taxation. They will pay the normal gas tax plus the toll. Yet they will be travelling on a road where constructions costs, per vehicle mile of usage, in any given period of time, is no greater, and probably less, than an average two-lane highway.



This means that the revenue derived from gas tax on a superhighway is as large, or larger per dollar of constructions costs, than on the average two-lane road.

(c) It is generally conceded that toll roads are more costly to construct than a freeway.

(d) The cost of collecting tolls is substantial, and many times the cost of collecting the same additional revenue by an increase in gas tax.

(e) It is still necessary to maintain free roads and you thus have a duplication of highway facilities and costs in the same area. This can be expensive, particularly if a toll road is built where traffic volume is marginal, necessitating high tolls. More vehicles then use the free highway, and costly improvements must be made to it.

(f) For a toll road to be a financially successful unit there must be a volume of traffic of a certain minimum. Some sources say this minimum is in the neighborhood of 5,000 vehicles per day. There are, to my knowledge, no through routes in this part of southern Ontario, apart from the present four-lane highways, carrying traffic in excess of this amount.

I would like to comment on some arguments





commonly used in favour of toll road. Some municipal representatives have advocated provincial toll roads because they feel the municipalities will then receive a larger share of the gas tax from the provincial government for roadwork inside their municipalities. Although municipal governments are hard pressed for funds for road work and deserve greater aid, I fail to see why there would be any more likelihood of the province turning over funds from a larger total revenue due to new toll taxes than from a larger total of revenue due to increased gas and other taxes. Other proponents of toll roads state that superhighways would not have been built in the United States without the advent of the toll system, and they thus credit the system with providing a much improved highway network. This is an oversimplification. The fact is, that the toll highway system was used as a method of debenturing highway costs instead of building roads on a cash basis -- a policy which could just as easily, and more cheaply, been carried out by the State Government. It may be that the need for superhighways in Ontario is so great that we should construct them now and pay later, but careful thought should be given to



the terrific interest cost the public would be forced to pay for such a move. Even if such a step is necessary it would be more economical to meet such payments by other methods than toll charges

There is considerable American through-commercial traffic on highways in our peninsula, and it is my belief that it is not paying its share of highway costs.

It is my recommendation, therefore, that superhighways be built in Ontario where traffic warrants; that they do not be toll roads; but that any additional highway construction costs which are to be levied against owners of vehicles be raised by an increase in gasoline tax, weight-mile charges on transports, and in the case of American transports, an additional direct levy.

This, I believe, is the best for the citizens of this area, and the province as a whole."

THE CHAIRMAN: Thank you, Mr. Swart. Would you mind waiting for a moment, in case there are any comments from any member of the Committee?

MR. ROOT: I take it that Mr. Swart suggests that rather than toll a superhighway, he prefers to have the province borrow the money, and then raise the gasoline tax to pay off the loan.



MR. SWART: I think if it is necessary to build on a time basis, the province should built it as a free road.

It is cheaper to collect the money for it, all the way around, and cheaper for society. It is cheaper to increase the gasoline tax, and impose the weight-mile tax, than to toll a road, and restrict certain people from using that road.

MR. ROOT: You are in favour of the province borrowing the money?

MR. SWART: I am not as familiar with the needs as you gentlemen are. We know there is a shortage of highways. If we have to spend a large amount of money which obviously cannot be raised at one time from taxes, then I think a toll road may be the answer.

MR. ROOT: The province has spent all the money it has collected from the gasoline tax and the license fees, and has built up a deficit. In addition, there is a backlog of work on provincial highways -- on county roads and city streets amounting to \$1,750,000,000.

Faced with that backlog of work which exists all over the province, to provide the necessary roads they will have to increase the taxation to pay for the roads. That is why I took it, from your brief, that you would prefer the province borrowing the money, and then raising the taxes to pay off the debt.





MR. SWART: I think that would be the most economical for the province.

MR. MORNINGSTAR: To raise the gasoline tax, but not the license fees?

MR. SWART: I did not put it that way. I think it is more equitable to raise the gasoline tax rather than the license fees. The minimum license fee is for the privilege of using the roads.

The people who need the roads are using them a great deal, and I think the gasoline tax should be raised first.

MR. MORNINGSTAR: Then we will get the tourists too.

THE CHAIRMAN: That is a very good point. It has been expressed to us before.

MR. SWART: I assume you have heard everything that has been expressed.

THE CHAIRMAN: No, we have not heard everything. It seems to me there are some areas where we need additional facilities, where the traffic is heavy enough.

You have two types of traffic, one which wants to get a considerable distance in a hurry, and the other type of traffic which makes shorter journeys, where speed is not so important.

The toll principle seems to be directed toward



the first which I mentioned, and those people, by and large, be they commercial or individuals, in order to move faster, should pay, or help to pay, for the roads?

MR. SWART: Yes, but I suspect that some of the people who use the slower road would like to use the faster road. There is some duplication there.

I suspect that even on these four-lane highways, the cost per mile is no greater, and they are paying for a faster and better road by the use of it.

THE CHAIRMAN: That, theoretically, may be correct. That situation has been reached in the States, and we might get into that position here, where you either have a toll road or no road at all. In this province, I think we should have additional roads.

MR. SWART: A toll road has to be financed from some source or other.

THE CHAIRMAN: That is right.

MR. SWART: If the road has to be built, I think the province is in a position to finance it, and it will be paid for from money paid by the users.

So, if you raise the gasoline tax, then I think you get your financing and you get your re-payments and get it more cheaply than by establishing a toll road, because of all these other factors.

THE CHAIRMAN: We are just speaking around the



subject. A great deal of the revenue of the Department has to be used for a great many other projects, such as Hydro, and some others, and there is a heavy capital investment there -- and will continue to be -- in connection with the Seaway.

So our thinking was, if we could set up a toll road which is self-liquidated, and does not require the involvement of the provincial credit, possibly you could preserve the credit for other projects, and cut the interest rate down in the money markets, when they have to go to New York, or our local bond markets, for \$50 million or \$100 million for its capital expenditures.

MR. MacDONALD: That is highly unlikely, in fact, very improbable, to happen, because it is unlikely you will ever have a toll road built without the credit of the province, even if it is by separate Authority.

Therefore, the credit of the province will be used in any case, so the fact that it might be impinging upon the credit of the province, does not enter into the picture at all.

MR. YAREMKO, Q.C.: But the credit is dependent upon the finances which are backing that credit.

MR. MacDONALD: The argument by Mr. Swart is that we should get this credit in the cheapest possible way.





MR. YAREMKO, Q.C.: By increasing taxes of some kind, or what?

MR. AULD: Were we not told, when we asked one of the bond people in Toronto, a question along the same line, that if the province had to borrow money for a specific project which, in itself, was self-liquidating, the credit of the province would not be affected to the same extent as if it was for general revenue purposes, and he said at that time he thought that was the case?

THE CHAIRMAN: I gather that the "money boys" treat it as a contingent liability.

MR. SWART: I would suggest, in a province like Ontario, where there is some question with regard to traffic, that to secure the money to pay for what was not covered already, the province would be charged a terrific rate of interest on the money they had to borrow, and that would be reflected in tolls?

THE CHAIRMAN: It depends on the volume of traffic.

MR. SWART: Is it not true that the volume of traffic is marginal?

THE CHAIRMAN: I have seen a figure that nothing less than 6,000 cars a day travel between Windsor and London, and there are certain stretches where it goes up as high as 8,000 cars.



MR. AULD: There is one question I would like to ask Mr. Swart, and I have asked this question before.

In your opinion, Mr. Swart, is it fair to possibly raise the gasoline tax to pay for these higher-standard roads, where a great many people in the province will never have an opportunity of using that type of road? The traffic volume in their own areas, perhaps due to many circumstances, would not be sufficiently high, but these people would be paying the same rate.

MR. SWART: I would answer that in this way -- and I have vaguely referred to it in my brief.

To begin with, I am not saying that super-highways are a luxury; I think they are a necessity. Many people prefer to travel at high speed, even with more traffic, but with more privileges, than travelling on a two-lane highway, where there is not so much traffic.

I also feel that the cost is being paid by the people who are over these roads, just as are the persons who are travelling on the two-lane highways.

MR. YAREMKO, Q.C.: That always leads me back to this; we have heard a great deal of talk about "express highways in and around Toronto", and it has always been my opinion that if the Metropolitan area of Toronto was served by highways for which the people



were paying, the area would be just a mass of highways.

To follow that up; if the highways were built in the vicinity of Toronto which are needed today, I would venture there would not be an extra dollar to be spent any place else in the province of Ontario.

MR. MacDONALD: Let me document that, because it has come up a number of times.

Last Saturday -- and this was driven home to me rather forcibly -- I had to go to Caledon, and I thought I would take Highway No. 5, rather than the Queen Elizabeth. When you get on Highway No. 5 with a truck ahead of you, I think I am safe in saying that the speed at which you travel on Highway No. 5 would not be as great as the speed on a gravel road between Hearst and Long Lac, because <sup>there</sup> you do not meet five cars an hour. I think the point made that they are not luxury roads is well taken, because I am dead certain that they cost more than the gravel two-lane highways scattered throughout the rest of the province.

MR. YAREMKO, Q.C.: I think we can agree on that.

I made the statement that the motorists of the Toronto area pay for the highways all over the province, and I think that is properly so, because we are thinking on a provincial-wide basis.





If that provincial highway was built and completed to the standard that is necessary to carry the volume of traffic that highway does carry --

MR. MacDONALD: It should be a four-lane highway?

MR. YAREMKO, Q.C.: Yes, it should be a four-lane highway, but it would mean 50 miles of four-lane highway, and if you built 50 miles along Highway No. 5, you would be awfully short of a great many dollars every place else.

MR. SWART: Then it is a system of dual taxation.

I think there are others here, and I do not wish to take up all of your time.

THE CHAIRMAN: I would like to thank you for your brief. It is quite thought provoking. You have many ideas in there which are very interesting, and as you can see from the conversation and discussion, it has been very stimulating.

MR. MORNINGSTAR: We have the Warden of one of the counties here, Mr. Horace Kellam. Perhaps he would like to say a word to us.

MR. KELLAM: Mr. Chairman and members of this Committee: I feel there are two different questions which are before you, as far as I am concerned,



and those are, first, toll roads, and, secondly, a subway under the canal.

I do not think a toll road should go through the city of Welland, but we should have a subway here. I do not think the traffic should be diverted as you would have to divert it if a toll road were to go through the main part of the city.

Every city which is cut up, is trying to get rid of it. Even Welland has seen fit to try to move people off the main street, and I do not blame them.

There is a truck which goes to the Concrete Block Company, which can draw 40 tons, besides the weight of the truck. The city does not want those trucks through here.

As far as the necessity of what His Worship the Mayor of the city of Welland has expressed to you; he has not exaggerated. This matter could be spoken to for hours. It definitely has to come sooner or later. Whether it is the provincial government which does it or not, I feel that -- politics or no politics -- the Liberal government has a large responsibility for the underpass here under the canal.

They allow the canal to be used free of charge, and the Scandanavian ships, and all types of boats, pass through here, subject only to the Customs. Then there



is the manpower along the canal which is required to take care of the locking.

Why that is done, I do not know, but because of some international policy, I do not think this area should have to suffer through taxation, and inconvenience, if it is to be to the benefit of the whole Dominion of Canada, if that is the national policy.

We built the westside road alongside here, and we tried to get them to build one on the east side, in order to take care of the traffic on both sides, instead of bringing them all down on one side, and pushing them across a few bridges.

Of course, the Dominion government says it is not in the road business, but they are in it, whether they like it or not.

We received \$250,000 out of the Federal government for the west side road. We cannot see why that canal should be operated free.

The railroads built a passageway and the man with the truck pays for the use of that passageway, but the steamship companies, not only of this country, but all countries, use the canal, and they do not pay anything for their passage through.

If it is of international benefit to this country, then the country should take care of the imposition





we are facing here, with the conditions as they are now, perhaps with some assistance from the provincial government, because you are interested in roads, and you would have to do something anyway, if it was not for the canal.

I think it is up to the two levels of government to take care of that.

As far as toll roads are concerned: I have been in favour of toll roads, and I have talked about them in County Council, about three years ago.

Ontario has a heavy population, and heavy traffic, and everyone knows it, and it is increasing all the time. We are having tourists from as far south as Florida, coming across the river into Ontario.

I am not just considering our own people using it. They do not have to use it. It is no hardship on them, but the Americans very often have many miles to drive.

I heard a representative of their highway department, at the Canadian Good Roads convention in Toronto, maybe three years ago, give a figure of the mileage they had, and the mileage they were going to build, which was many, many times more than what they already had, due to the fact that they were necessary to meet their requirements.

You have said, Mr. Chairman, if you do not



raise quite enough to take care of the roads, some other source may have to be found. I believe that those who dance should pay the piper. Those who are going to use the roads should pay for them, rather than raising the gasoline tax. I feel they should carry their weight. But, with the toll roads, if you have to borrow money, or back those who are borrowing money, it will not affect the provincial credit in the same way it would as if you were borrowing it yourselves, and the first thing will be, they will start getting a return on the money, out of those who are using the road, even before there is any chance of a deficit.

As far as building roads on a long-term plan is concerned; to me, that is just plain "nuts", because by the time you have it built -- say, ten years -- you will have ten times the population, and will be in the same "mess" again.

I think the policy should be to pay as you go, and those who are going to use the road should pay for it as they go.

Where would the country go, if they started borrowing for this and that, knowing all the time that the population is increasing, and the need for roads will increase, and that in a few years you will have a



much worse condition. What kind of a condition do you think you would find yourself in?

My idea is, make your tolls a fee to take care of your expenses.

As far as the traffic on these toll roads is concerned: one gentleman mentioned an experience he had on Highway No. 5: you should consider Highway No. 3 where you meet transports coming from Buffalo going to Windsor or Sarnia, and in from three to five minutes you will meet another one, and if you were over-taking them, it would be the same thing.

These fellows fill up with gasoline, and they go across to Windsor or Sarnia, and what do you get out of them?

With a toll road, you would collect a large amount of money, because that would be based, to some extent, on the tonnage, and the trucks which are using the road, would pay for it.

You would collect a huge amount of money from other than Ontario, as has been mentioned by a member of the County Council here. However, I presume we do not all agree on this. I have a right to my opinion, and he has a right to his.. His idea is to borrow the money and let everybody travel on the road, and do as they like.





The other feature is this: one gentleman spoke of travelling from Florida, and riding on various toll roads, but there is one thing we must remember there, that the main part of the traffic coming from the United States into Canada is used to toll roads. They do not figure them a hardship. They use them, and they seem willing to pay for the privilege of riding over them.

As far as the Americans are concerned -- and I say this with all respect to the Canadians -- they do not look as long a time as we do at five cents, but they go on the toll roads, and pay for them, rather than go some place else, and save the toll.

I must say, that I am in favour of toll roads.

MR.YAREMKO, Q.C.: I am not directing this as a question specifically, as I do not know whether this was brought up this afternoon, as I was out for a moment.

We have heard a great deal of talk on the possibility of the Burlington Skyway being a toll bridge, and that came into being because of precisely the same situation which exists on the Welland canal.

There is a canal which runs from the lake into Hamilton Bay, and for years it has been a terrific



inconvenience to the people of that area, and there is a bridge which will cost, approximately, \$17,500,000, which amount the province will have to pay. There is some talk about it being a toll bridge.

Without referring to the situation in Welland solely, may I ask what your opinion is of a super-structure being built at St. Catharines, and being tolled?

MR. KELLAM: No, I did not speak about a through highway. How will you take care of a situation like this, where people are going to and from work? Where would you divide the line between an adult, and a child going to school or college?

To me, a toll road should be strictly a toll road from one point to another, and not a bottleneck. I do not believe in that, myself. I do not say it should be there, and I do not say it should be here, but I know the Americans use them, and if you had a thruway -- of course, everybody crosses that point, but I do think if you built a toll road and kept it out of the city, you would get a great many patrons to use that road. That is my opinion.

MR. MacDONALD: There is only one comment I would like to make by way of balancing the enthusiasm of my friend (Mr. Kellam).



A year ago, I think the people would have accepted the principle of toll roads, and the fact that they were building roads which were financially feasible.

But, in the last few months, there have been very significant developments, of which you may not be aware. One is that toll roads which were apparently getting along very well, now find themselves running into difficulties.

There, it so happened, that after careful estimate of ten or fifteen years experience, they now find they were over-estimating their revenues. Ohio is facing such a condition at the present time, and finding it serious.

The Pennsylvania Turnpike has had to go through a revision of its rates, increasing the rate by 40 percent. on cars, and about 20 percent. on trucks, which I think is an inequitable distribution of the thing.

There is another factor, and in that I will agree with you, because our Federal government does not share in highway costs, but the Federal government in the United States does; in fact, they just brought down a new Bill, providing for \$30 billion in the next few years, and I think you will find the investment fraternity which demanded very careful engineering studies and density





counts which would allow for a margin of 50 percent. over what is required to amortize their bonds, will now take another look.

Now that the Federal government is going in with \$30 billion, I think the heyday of the toll roads in the United States is over.

MR. KELLAM: I am in no position to answer that. You say that, and have investigated it, and I will accept it.

A toll road, even if the government supported it, would take a great deal of traffic off other roads, and it would be very difficult to evaluate just what you might lose on a toll road. There might be some saving in keeping traffic off the other roads.

MR. MacDONALD: It is difficult to be dogmatic, because our conclusions, which are not conclusive, are that the Ohio Turnpike is running up against some startling results, which indicate that the toll road is not being used as much as they estimated, but the traffic is using other roads, which were not built for those big trucks, and it is the passenger cars which are going over the Ohio Turnpike.

MR. YAREMKO, Q.C.: And we find a situation -- I do not know whether Mr. MacDonald realizes it -- with regard to the Ohio Turnpike, that the only people who



are unhappy are the bondholders; the people who are driving on the highway and paying their tolls, are very happy indeed.

MR. KELLAM: That sounds very good to me.

MR. YAREMKO, Q.C.: The bondholders are not too happy, but when we read and hear about the "heyday of the toll road being passed; that toll roads are not the gold mines they were expected to be", and so forth, that is an expression of opinion, not of the man who is using the highway, but the bondholders, because the bondholders have discovered they may not have a 100 percent. security which they thought they might have.

However, the man who is using that highway and paying the toll is happy driving along there, regardless of the fact that a \$100. bond in the hands of somebody else is only worth \$88. To the man actually using the highway, that does not make any difference.

MR. MacDONALD: I think undoubtedly that is true, but I also think that in the future the investment fraternity will not be interested in providing the necessary financing, and it will become necessary then to build freeways.

THE CHAIRMAN: We can build a road ourselves, and toll it, if we think it is necessary.



MR. KELLAM: You just have to go over the road and count the American licenses in the summer time, and notice the trucks. It is dastardly the number going over this highway, just for the sake of saving a few dollars.

MR. MACKENZIE: May I ask, for my own information, since the completion of the Ohio Turnpike, has it made any difference in regard to the American trucks passing through Canada?

MR. KELLAM: I cannot tell you that. I am not in a position to say.

MR. AULD: You have not noticed any improvement?

MR. KELLAM: I know this; I know the truck traffic is getting worse west of Fort Erie. That is easily noticeable, and that is just as definitely a question here.

While it may be beside the point, we have the railroads, asking for a percentage increase in freight rates. What do you do with the operators of trucks? For instance, one will start with a single truck; in a year, he may have five or more trucks and next year, he has a fleet of trucks and they are the ones who are using the road, and getting out of what I feel is not paying their share.





I feel that these roads would only cost about one-third -- not more than one-half -- in the costs of construction, if it was not for these trucks. These trucks are causing about 50 percent. of your road building -- these 20 or 30 or 40-ton trucks, and we have to build bridges and roads to carry those weights, or some of the spans might go down. These fellows should be put in a position where they have to pay for this through traffic.

The government has a policy on this. They say "let them use the other roads". You cannot tell them they have to use the other roads, but I feel if there is a coercive system, eventually they will get you where they want you, and then, begorra, they will put a charge on them, whether you like it or not.

MR. MacDONALD: Have you given any consideration to the question of the weight-mile tax as a means of raising a greater contribution from the trucking industry? Are you in favour of that?

MR. KELLAM: Yes, that seems to me to be a fair way. I do not want to pick out and discriminate against any operator, but one operator of these trucks told the fellow who told me, that he was just weighed out of a cement plant, and he said his allowable weight was 40 tons, but he said, "I am one ton over; I have 41



tons".

I have not studied that from that angle, but if I was in a position to, I think I would work out something so that the fellow who dances pays the fiddler, according to the number of dances.

THE CHAIRMAN: Thank you, Mr. Kellam, for appearing before the Committee.

Is there somebody else who would like to speak a word to the Committee?

MR. PIETZ: Mr. Chairman and gentlemen; I had the pleasure of driving Mr. Mackenzie for the first time, and I said, during the course of the drive, that in this vicinity we have the best roads, the best jails, and the best lady golf player --

MR. KELLAM: That is in Pelhar Township. Fonthill gets all the credit for everything.

MR. PIETZ: You have more information on the feasibility of toll roads, and I am looking forward to your report, before I make up my mind.

I think the last speaker (Mr. Kellam) brought up some very good points. We are building roads which are much heavier than we would need, if they were only for the private automobile traffic.

I would like to make about two points. First of all, in regard to this proposed tunnel: the canal is



a Federal project. It was put through here with little or no consideration as far as the citizens of this town were concerned. There are very few local industries which utilize it. It is used largely for carrying commerce from the west or going to the west.

Now we are talking in terms of \$180 million for the start of this St. Lawrence Seaway, and everybody thinks it is a fine idea, whereas \$5 million would help us out of this situation, which will only become worse, when the Seaway is completed.

I am in favour of this tunnel, because 75 percent. of the people in my municipality live in Fonthill, but work in Welland, Niagara Falls, and St. Catharines, so they go through the "bottle of the bulge" every day. Sometimes there is a delay of an hour and a half, sometimes one hour, and sometimes they get through easily, but that is the exception rather than the rule.

You have suggested that perhaps the gasoline tax be increased. Would you like that in preference to an increase in the licensing?

It has been suggested that none of the money raised has been diverted away from roads. I would suggest that we consider first the question of insurance in regard to the individual motor operators. Recently





we had an increase in our licensing, because some people were having no regard for their fellow men, and I would suggest they should take out proper insurance, to cover public liability and property damage, in order to protect the other drivers.

The government is being forced into what might be called almost the "insurance business", because some people decide that insurance is not worth-while. I do not think we should be called upon to take out what is practically insurance, and pay for those who do not think insurance is worth bothering about.

My recommendation to you would be that a strong recommendation be made to the Federal government with regard to the local situation here, and if there is any help you can extend in regard to building roads, I think the local people will back you up 100 percent.

That is all I have to say.

THE CHAIRMAN: Thank you, Mr. Pietz.

MR. ROOT: Before Mr. Kellam leaves; he mentioned the weight of the truck and I agree with him.

We had information given to the Committee this morning in Hamilton that large trucks, driving about 100,000 miles per year, are paying about \$3,700. per unit for gasoline tax and license fee.

It has been suggested that additional revenue



be raised by raising the gasoline tax. That is a tax easy to administer, but not altogether fair, because I think we all agree that the lower the standard of road, the less mileage you get. Those who drive in rural areas find that to be true.

Then, again, many people are faced with the situation where they can only take a one-half load during certain seasons of the year, while paying for a full license.

There will be an inequity, if you get your gasoline tax too high.

MR. KELLAM: Those who dance, should pay the piper, and it is their job to collect it. I do not feel it is my job, as a fruit farmer, to come here and tell the department how things should be done.

I believe that the ones who use the road should pay for it. But, as I say, I do not think it is my business to comment on how it should be done.

I mentioned that to bring out the point of what it costs the province to build bridges to carry a few of these trucks. These fellows do not pay their way. You do not know how much it costs to build bridges to carry these fellows, and I doubt if anybody does.

MR. MORNINGSTAR: You said the trucks load up



in Buffalo and go to Detroit without spending any money here.

MR. KELLAM: I have been told they could go across the province without having to re-fuel. That is why I say if we had a toll road, these fellows would pay to use it, and that is the way to make them pay.

You say they will dodge it. Maybe they will, to some extent, but if they can make the time, I think with the saving of time, they would be glad to use it.

MR. MORINGSTAR: We would be glad to hear from Mayor Shanks of the town of Thorold.

HIS WORSHIP MAYOR SHANKS: Mr. Chairman and gentlemen; in the first place, I would like to heartily concur in the statement by the Mayor of Welland. I certainly feel delighted in having this group, such as we have here today, discussing the problem of financing by the provincial government, and I think in handling our municipal financing, there is a limit to what we can do at the present time.

I agree with the Mayor of Welland with regard to the very acute problem here.

Our town of Thorold is in the northern end of the county, and we have a provincial highway problem through the centre of the town.





I think, if something can be done in regard to bettering the roads -- not necessarily a toll road -- and on the assumption that the problem in this area will continue, I think you can relieve a great deal of this congestion across the canal.

When I leave here in a few minutes, I will cross the canal twice to get to Thorold in Welland County. If I were to go a little further, I would cross it for the third time.

I think the provincial government should give further assistance in presenting the case to the federal government. That is the problem.

While I am on my feet, and you are speaking of financing, I think it should be remembered that highways constitute an assistance to everybody in the country, and the general taxpayers could well contribute to their operation. Now, it seems as if it is the poor fellow who has to buy his gasoline, who has to pay for the highways.

DEPUTY REEVE, THOROLD: Mr. Chairman and gentlemen; I have no points to bring out other than those which have already been brought up. I am glad to be here. The meeting has been just as I expected.

I came down here quite prepared to back up Mr. Kellam all the way, and I am sure I will endorse



what has been suggested in the discussions here today.

I feel it will be up to the gentlemen here to go back and study the figures a little more closely, and present the right picture to us.

There are many in favour of it, and some are against.

THE CHAIRMAN: Thank you. Is there anybody else who would like to say a word?

HIS WORSHIP MAYOR SHANKS: I failed to mention a word with regard to my opinion of toll roads. I think they definitely have their place in the province, which is handling such a large tourist and truck traffic, with so many highly-populated areas.

I, for one, would not object to paying a toll, rather than waiting, for instance, at the Burlington bridge. I think that is a case of wasting a person's time.

We have a beautiful scenic road from here, but if we want to move, we go on the Queen Elizabeth Way.

With regard to the bridge at St.Catherines, versus a subway: if a subway were put there, with toll charges, I believe it would be all right. That is not the situation in Welland. The canal does not go through the centre of St.Catherines.

The fact is, it will take a great deal of



the traffic off the roads, which will give us a chance to clear off a great deal of the traffic from our own roads.

MR. MACKENZIE: Would you be in favour of tolling an overpass, over the canal?

HIS WORSHIP MAYOR SHANKS: Yes.

THE CHAIRMAN: I would like to say "thank you" to those of you who are here, and to the absentees, who found it necessary to leave.

Mr. Morningstar was anxious for us to come down and told us that perhaps you had problems here about which we did not know. Well, we know about them now, they have been very ably presented to us, and will certainly be given a great deal of consideration when we make our final recommendations.

I wish to thank you for an informative and pleasant afternoon.

The meeting is adjourned.

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---Whereupon, at six of the clock, p.m., the further proceedings of this Committee adjourned, to reconvene in the city of Fort Erie, on Friday, September 28th, 1956, at 11:00 o'clock, a.m.

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ONTARIO

P R O C E E D I N G S

of the

SELECT COMMITTEE APPOINTED BY THE LEGISLATURE  
OF THE PROVINCE OF ONTARIO, TO ENQUIRE INTO AND  
REPORT UPON MATTERS IN CONNECTION WITH TOLL ROADS  
IN THE PROVINCE.

Mr. J. P. Robarts, Q.C., Chairman,

Mr. D. J. Collins, Secretary.

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VOLUME XXVIII

Friday, September 28th, 1956.

FORT ERIE, Ont.

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R. C. Sturgeon,  
Official Reporter,  
Parliament Buildings,  
Toronto, Ontario.



T W E N T Y - E I G H T H   D A Y

Fort Erie, Ontario,  
Friday, September 28th, 1956,  
11:15 o'clock, a.m.

- - - - -

The further proceedings of this Committee  
reconvened pursuant to adjournment.

Mr. J. P. Robarts, Q.C., Chairman,  
Presiding.

PRESENT:

Messrs. Mackenzie,  
Child,  
Root,  
Sandercock,  
Yaremko, Q.C.,  
Auld,  
Jolley,  
Manley,  
MacDonald,  
Mr. D. J. Collins, Secretary.

APPEARANCES:

Mr. H. T. Guess,	Mayor, Fort Erie.
Mr. Roy Morningstar,	Bertie Twp.
Mr. Joseph French,	Peace Bridge Commission, Fort Erie.



Mr. Ross McCarthy,	Fort Erie Chamber of Commerce.
Mr. Douglas Eiler,	Clerk of Crystal Beach.
Mr. Yuhalz,	Motel Owner, Fort Erie.
Mr. Carl Parr,	Fort Erie City Council and Chairman of the Roads Committee of the Township Council.

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THE CHAIRMAN: Gentlemen, we will bring this meeting to order. We are a few minutes late, and I think we had better commence our proceedings.

HIS WORSHIP MAYOR GUESS: Mr. Chairman, members of the Committee, ladies and gentlemen; I am sure it is a pleasure for me to be here this morning to welcome this delegation of Legislators.

I am sure that a majority of the people know the purpose of this meeting, and I, for one, am quite pleased to think they have come here to recognize Fort Erie in this manner, and I hope their efforts will be productive.

I do not want to be biased in my remarks, but if I were to be questioned right now, before any remarks were made at all, I would say it would be a wonderful thing if this toll road could be completed between Fort ,





Erie and Windsor.

MR. JOLLEY, M.P.P.: Thank you, Mr. Mayor.

Ladies and gentlemen, I can assure you it is a pleasure to be here, and to have our Committee in this end of our riding.

This meeting will take the form, as it has in the past, of an informal one, and at this time I will turn the meeting over to Mr. John Robarts, Q.C., the Committee Chairman, who will introduce the members.

THE CHAIRMAN: Thank you, Mr. Mayor and Mr. Jolley.

First, perhaps I should introduce the Committee, so you will know who we are.

Beginning on my left is Mr. Mackenzie, the member for York North; Mr. Yaremko, Q.C., the member for Toronto-Bellwoods; Mr. John Root, for Wellington-Dufferin; Mr. Sandercock, from Hastings West; Mr. Manley, from Stormont; Mr. Donald MacDonald from York South, Mr. James Auld, from Leeds; then our shorthand reporter immediately to my right, and I am John Robarts, from London.

Perhaps I might tell you, as a matter of introduction to this meeting, who we are, what we are, and why we are here.

We are an all-Party Committee appointed by



the Legislature, and our terms of reference are very broad; they are to study toll roads in all their aspects and their possible application to our situation in Ontario.

We have carried out very extensive studies to date. We have travelled in a number of States of the United States. We have been on the New York Thruway, the New Jersey Turnpike, the Garden State Parkway, the Pennsylvania Turnpike and the Ohio Turnpike, and we have tried to gather all the information we could, and to avail ourselves of the experiences some American jurisdictions have had.

This small booklet (indicating) is the interim report we presented to the Legislature last March, in which we established certain principles, as far as toll roads are concerned, and what we are attempting to do at the present moment is to decide where, if any place, these principles are applicable to our own province.

I may say that the members of this Committee have heard this speech so often, that I can see them quietly going to sleep while I speak.

We are here for the express purpose of obtaining your local opinions. We want to know what you think about this subject. If you have any positive points of



view, we want to hear them.

I think you all realize that highways constitute a very great problem. We have worked hard, and have been in a number of parts of Ontario. Only recently, we were in London, Kitchener, Chatham and Windsor, and we will go east in due course to the Quebec border, and we are attempting in these public meetings to find out what you, as citizens, think of the development of toll roads.

I will not go through this report -- and I seem to hear a sigh of relief from those who are with me.

Our meetings are informal; we want to know what you are thinking. If we can give you any information, we would be very happy to do so, and if you have any briefs, we would like to receive them, and if any questions occur to you, we would be happy to have you ask them, and we will do our best to answer them.

So, Mr. Mayor, we are at your disposal. Perhaps you might introduce each one as you call upon him for his views.

HIS WORSHIP MAYOR GUESS: I think Mr. French from the Peace Bridge Commission, would like to say a word to the Committee.





J O S E P H       F R E N C H ,

from the Peace Bridge Commission, appearing before the Committee, but not being sworn, deposed and said:

BY THE CHAIRMAN:

Q.        Mr. French, we shall be very glad indeed to hear anything that you may care to say.

A.        Your Worship, Mr. Chairman and gentlemen of this very illustrious Committee; I thank you for coming down and giving us a chance to be heard on this question.

Incidentally, if I may digress for a moment, may I say that I happen to be on the executive of the American Bridge, Tunnel and Turnpike Association, which comprises perhaps all, or practically all, of the express highways of the United States, bridges, tunnels and so on.

We are having our annual national convention in Wichita, Kansas, on the 15th, 16th, 17th and 18th of October. We will see the Kansas Turnpike, and then we go into the Assembly.

I would be very pleased, as a member of the executive, to invite any of you who perhaps might join with us at that convention, to do so.

There will be representatives of all bridges, and turnpikes at that meeting, and perhaps I could be of



assistance to the Committee, if you so determine.

THE CHAIRMAN: Thank you very much, Mr. French.

THE WITNESS: Of course, we operate the Peace Bridge, and that is a toll bridge. We do not have stockholders. We have a small issue of bonds, and it is down to \$800,000, at 1.5 percent., which is unusually low.

These bonds are being amortized at the rate of, roughly, \$150,000 per year, for complete payment on January 1st, 1962. In the meantime, we are using our excess revenue for the purposes laid down by our Charter, which was granted by the Federal government of Canada, and the government of the State of New York.

Our excess revenues are to be used for bridge purposes, and for expansion as required by the traffic.

Since the bridge was opened -- since 1927 -- our requirements have skyrocketed, and particularly have mushroomed since the war. Trucks have increased by 500 percent.; at the present time, we are running 40,000 cars a day over the bridge.

As a matter of interest, may I say in regard to the Lincoln Tunnel, where they collect tolls, on the Peace Bridge here we have collected tolls on more cars per hour per lane than at the Lincoln Tunnel in New York. And



that is complementary to the Customs and bridge staff which operate that facility. We are very proud of that fact.

We are a part of the international highway system. Our new construction and expansion -- incidentally, I will be very pleased to show you the plans and the actual physical construction we are in the middle of at the present time at our Peace Bridge -- but, as I say, we work in direct conjunction with the New York State Thruway, we hope, through the projection of ideas and concepts, that our expansion programme, with its entrances and exits, will accommodate itself to the construction of a toll road or express highway -- whichever is finally determined by the provincial government -- between Windsor and Fort Erie, as a part of the international highway programme.

Of course, there is a saving between Fort Erie and Windsor as against Buffalo, Cleveland and Detroit of roughly 120 miles, and quite a substantial time differential. So any express highway which is contemplated or constructed between Fort Erie and Detroit would carry a heavy amount of foreign travel -- Yankee travel.

As you gentlemen have perhaps been told by the Garden State Parkway Authority, that is the thing





upon which they relied for the construction of their highway, on the theory that the tourists will pay for that highway.

In this particular case, I am aware of the fact that the Yankees are using No. 3 highway, which we call the "Garrison Road", and very seldom buy gasoline or tires on the way.

That could be made an express highway, even using the toll facilities, as they are used in the States, as you are all aware.

So that, very properly and very bluntly, we consider ourselves to be a part of the express highway system between our two countries.

I think, speaking personally, if I may, for the Authority I represent -- that we are highly in favour of the use of the toll concept for the development and construction of the necessary transportation arteries without increasing the inherent tax structure.

I believe that the concept of the toll road is a successful and sound proposition, in connection with which parallel freeways may or may not be used by the local transportation requirements, but the use of a tolled express highway can be used by individuals or groups who require or desire the particular features which are a part of a tolled express highway.



I do not think I can go further in exemplification of the concepts than I have. I think it is presented to you in that one short sentence. I consider it sound, and I recommend it to your consideration most heartily.

Mr. Chairman and gentlemen, thank you very much. If I can be of any further assistance, please let me have that opportunity.

THE CHAIRMAN: Thank you, Mr. French. Perhaps some members of the Committee would like to question you.

BY MR. CHILD:

Q. Are you an American?

A. Yes. Let me go a little further: I spend six months a year here, and six months in the States, and I am rather proud of the similarity in the dual citizenship. I respect my Queen, as I respect my President.

Q. We heard a brief yesterday which leads us to believe that toll roads in Canada would discourage Americans from coming over here. Have you an opinion on that?

A. Yes. I would be inclined to disagree with that entirely.

The concept of a toll road was received in



the States with askance in the initial stages. Since that time, I think the experiences you have received from your conference with various toll authorities have led you to believe that the original idea has changed completely. That is my understanding of it.

Q. Mr. French, you mentioned a toll road from Windsor to Buffalo --

A. To Fort Erie.

Q. At the present time, Highway No. 401 is being constructed --

A. North of Barrie?

Q. No, the one from Windsor right through to the Quebec border.

A. Yes.

Q. And it is comparable to the toll-road construction in the United States at the present time.

A. Yes, I have used it. It is most excellent.

Q. A toll road might not be in comparison to that, if they paralleled it, all the way through. However -- and this is the point; I am only thinking out loud at the moment -- would it be feasible, in your opinion, to toll American trucks all the way through from Detroit to Fort Erie, using Highway No. 401, which could be a freeway, and then coming from Windsor to around the vicinity of Woodstock with a toll





road, and make them pay the full toll for the whole road?

In other words, you might charge them a tariff for travelling all the way through out of Detroit, knowing their destinations.

A. You will realize that I am speaking without making perhaps the study which should be made in order to answer that question.

It would seem to me, gentlemen, that the barrier station would be at Woodstock, and the toll would be collected from Woodstock to Fort Erie, from the various barriers and interchanges, based upon the entire distance run.

As to whether that would be feasible -- mind you, the carriers are keen business men, and they would find a way to duck the payment of any toll, of course, other than one which would provide them with a short route.

You see, the travel time of a driver is an important factor in a carrier's operations, in addition, of course, to the saving of wear and tear on the equipment which is rolling at all times.

Q. What I am getting at is this: Highway No. 401, as a toll road, might not be acceptable to the American people, and it seems to me it will have a tremendous



amount of use by foreign traffic, and yet they would contribute nothing.

A. Yes, that is a point in which I am as interested as you are. These people are not paying.

In the States, they expect the foreign travel to pay for the highways, and why not let them use the highways and pay for them? I am thoroughly in favour of that.

Part of Highway No. 401, in fact, goes down both sides of the triangle, but what the effect would be, as a part of a carrier's operations, I am afraid I cannot even hazard a guess.

I happen to be President of the American Bridge, Tunnel and Turnpike Association, and I know they are highly in favour of a toll road between Windsor and Fort Erie. That I can record unofficially with your Committee.

Q. If a toll road was built in the area you mentioned, is it likely that an American toll road might be built on the other side, and once it was built, we would find ourselves lacking in revenue?

A. That question has been studied in our Association, and also in a certain committee which was created and the answer would be most definitely a "No".

There was a point presented that it would be



wise -- let us say -- that he "who gets there fastest and firstest gets the worm".

The meeting decided that the road should be via Detroit, Cleveland and Buffalo, and they had the idea there should be one there.

But there is a saving of 120 miles, which is of vital interest to the carriers, by going directly from Fort Erie to Windsor.

Then, factor No. 2: there is a live differential in time which is of additional interest, and,

Thirdly, there is no Customs nor Immigration interference; it is a very simple bonding procedure to Buffalo, via Windsor and Fort Erie.

Q. Have you any idea of how we might collect the full toll, charging on the distance between Fort Erie and Detroit, and using Highway No. 401 as a freeway, and then build a toll road to connect up to that from Fort Erie to some place along the line, but being paid for the complete mileage travelled, and not just for the short length which would join up with Highway No. 401?

A. I do not know. I suggest, however, that the carriers would be very much interested in continuing the use of Highway No. 3, which is free all the way.

BY MR. AULD:

Q. I would think you would have to have an axle





limitation?

A. If you wish to do it that way. It would be a matter of applying any particular rate, either a gross weight, of which I happen to be an adherent, or the axle weight, whichever was decided by the Authority.

BY MR. CHILD:

Q. Would it be possible to do that at the bonding stations? If they could put in a clearance for bond, could that not be put in when they put in the clearance?

A. Yes. At Windsor, they obtain their bond and the truck is bonded through to Fort Erie.

Q. Could you not put a tariff on every truck that is bonded, and has free access to Highway No. 401, and then tolled for the balance to be built?

A. They are doing that now. There are only a certain number of United States trucks allowed to use that route throughout the day. They have to pay I think it is \$7.00 or \$7.50 for, let us call it, a ticket for the use of No. 3 Highway. That is by the Customs, and these persons all obtain their tickets for the use of the road and highway.

It could be done, as a truck drives up to the Customs to be bonded. It could, let us say, have a bond covering the payment of tolls, and they would be



issued tickets upon either signing a receipt, or using a charge plate, and they would give their destination as their exit point, let us say, Fort Erie, and a toll would be charged at the Customs station in Windsor.

I am quite sure the Customs Department would resist it, but it could be done.

Q. I am thinking of getting the Americans to pay for the use of that highway, but letting the Canadians use it free.

A. In New Jersey, all the "Jerseyites" use it free. If you went over the road, you will have noticed all these little access roads, and it is a "cinch" to get on at any of them, and that was done deliberately.

BY MR. AULD:

Q If anybody wants to go all the way, they pay, but there are people who only travel short distances between barriers?

A. Yes. As I say, that was done deliberately by the State to help the local people of New Jersey, and that puts the burden on the tourists and foreigners to pay for the construction, operation and maintenance of that particular highway.

BY MR. CHILD:

Q. There is talk of a bridge over the Welland Canal.



A. Yes, and at Burlington.

Q. Would you care to express an opinion on tolling these bridges, as far as the Americans are concerned?

A. Well, there is this point to consider, gentlemen -- and again, I am speaking "through my hat" -- the Yankee does not mind paying, provided he does not find it is discrimination directed just against him.

I may be "speaking through my hat" when I say that.

Then there is the further point of highway operation, and I would not dare suggest -- it is my understanding the Highway Department proposes to make the Burlington Bridge a toll bridge. I am thoroughly in favour of the private financing of toll facilities to obviate the necessity of raising the general taxes.

Also, I believe this; that the operation and maintenance can very much better be carried out under a single Toll Authority, that it can as part of the over-all provincial highway maintenance.

Now, as to whether or not that should be a toll bridge, I honestly do not know. I naturally assume there will be a freeway running along beside it, and then I think it should be tolled.

That seems to be the underlying concept that





wherever there is a toll facility, there should be a reasonable facsimile of freeways paralleling it, in our way of life.

There is no idea of killing off what is called the "Democratic way of life", and the moving around as we wish, without the payment of a toll.

BY MR. AULD:

Q. With the exception of the international bridges.

A. Of course, our toll at the present time, is a 25-cent flat rate for automobiles, with commuter tickets issued at 15 cents.

As soon as we are through with our expansion programme, in the next three or four years -- and incidentally, I would ask the Press please not to record this, because I do not want things to get out, that in the next three or four years may change -- but our Board has laid down a schedule, and also approved the reduction of the toll to 10 cents for an automobile, which will just cover the maintenance and operation of the bridge.

Q. It seems to me from what we have learned, particularly in the United States, there are places where the most direct route is over a toll bridge. In theory, there is a free road, but it might be some distance away.



For instance, in Ontario, you can go to the States for nothing, but you have to go almost to the Quebec border to do it.

A. That is right, crossing to Plattsburg and Lacolle.

BY MR. CHILD:

Q. Mr. French, would you have any information regarding where the through traffic over your bridge is heading? In other words, how much would be heading toward Hamilton, Toronto, London, and Woodstock, and how much would be heading directly to Windsor?

A. If I may simply more or less hazard a guess, because of the seasonal effects, I would think it is about 60/40. I would say, including all vehicles, trucks and so forth, that about 60 percent. go between Fort Erie and Windsor, and 40 percent. go north. That would be in other than the summer time.

In the summer time, that changes terrifically, and almost 80 percent. is going north, because of the terrific desire on the part of the Yankees to go to the northern resorts in Ontario.

Q. Could you hazard an opinion if there was a four-lane road from Fort Erie to Windsor, in the general direction of Woodstock or London, and if there was a road built to connect up with Highway No. 401, would you say that traffic would take the road which, road-wise,



would be a better road, rather than going along Highway No. 3?

A. No, I cannot. It would not be right for me to guess. I cannot give you an opinion on that.

Q. The reason I asked is that we have had the opinion expressed, that with the completion of Highway No. 401 from the Hamilton area to Windsor, it is questionable whether a toll facility to Fort Erie would pay, whether there would be sufficient traffic there which might provide a small saving of mileage, as opposed to the so-called "high-standard road" which is free.

A. The concept I have carried out to that point is this; the construction of an express highway between Windsor and Fort Erie, will, of itself, generate additional traffic.

For instance, consider the bridge at Mackinac, which is now under construction and is being built solely upon the belief that it will generate so much additional traffic that it will become economically feasible.

I believe that concept could very well be applied to the Windsor-Fort Erie route.

Once the Yankees find there is a state road and an express highway between Windsor and Fort Erie, I am sure that New York and Chicago will start to use it.





Q. One final question; would you say if, in your opinion, there would be any possibility of getting into a rate war between such a toll road as was suggested, between the New York Thruway, and the Ohio Turnpike, or around into Michigan?

A. Oh, no. The same thing applies, I would think, for example, for the people to travel from New York to Buffalo, via the Pennsylvania Turnpike, or going on the New Jersey Turnpike to the New York Thruway, each one entirely separate, and carrying its own particular rate.

We have across the Niagara River, four bridges, each one of them entirely separate, two of them privately owned, and two of them public Authorities.

Each one of them has a separate rate schedule, and so far we have had no indication whatever of any rate trouble.

I do not think the "higher-ups" of the various expressways being developed now, show any evidence of that. You gentlemen may have more information on that than I have.

Q. We have been very interested in the experiences of the Ohio Turnpike Authority. You can draw many conclusions from it, but based on that, it is quite obvious that a turnpike to pay, it seems to be a rule of



thumb, that it must have 25 percent. of the traffic which will pay 60 percent. of the revenue.

It is also an axiom that commercial vehicles will only use one of these facilities, if it saves them money.

A. That is correct. Ohio has had a most unfortunate experience in regard to the commercial aspect; I mean with truckers and buses.

BY MR. AULD:

Q. And the same thing might happen here. If the passenger cars take the toll road, the truckers might use the alternate road over No. 3 Highway, unless we had some means of forcing commercial vehicles to take the toll road, and unless we did, it might leave Highway No. 3 comparatively uncongested, and easier for the truckers.

A. Yes, unless you had a provincial statute requiring them to use it.

BY MR. CHILD:

Q. By loading regulations?

A. No, just a local statute.

BY MR. ROOT:

Q. That has been in my mind, and I am glad Mr. Auld brought it up. If I understand the situation, the American toll roads are running into the "red" and are apparently having difficulty in Ohio. Sometimes,



the early worm is caught.

A. Of course, where you are dealing with a foreign national economy, almost anything is likely to happen. But there is a way of controlling that through amity, and inter-relationship. That being so, I do not think any of us need to answer that.

I am quite sure if it paid the carriers to use, let us say, a toll road between Windsor and Fort Erie, as against a toll road between Buffalo, Cleveland and Detroit, Congress and the State Legislature would hear such a yell, and it would be heard around the world.

What the result would be, I do not know.

BY MR. MacDONALD:

Q. The Ohio Turnpike is in a very precarious position?

A. I would suspect they are not as well off as they thought they were going to be. I have heard of all kinds of trouble.

Q. Yes, but, of course, the first year is not over as yet.

A. Ohio is the second one which has had trouble. No. 1 is the Kentucky Turnpike. I do not know whether you have seen that or not. That is a toll road which they say begins nowhere and ends nowhere. You have probably heard that in the course of your travels.





But the Ohio Turnpike got into trouble, and I have heard all kinds of stories about it, from the various turnpike officials.

They did not consult with the truckers in the first place, but tried to force it down their necks, and so it led almost to a schism and a boycott between the truckers and the Turnpike.

Fortunately, that trouble has not been experienced with any other turnpike. They seem to get together to develop toll/schedules, and financing, and every one of them, I think, in the first year, has mushroomed far beyond the estimate of the engineers.

MR. MacDONALD, M.P.P.: The point I wanted to make is you have the Ohio Turnpike, which is having financial difficulty, and I do not think there is any doubt but that the attempt to build a toll road between Fort Erie and Windsor would be a very shaky proposition. It is not, by any means, a sure-fire proposition. We have not the density of traffic, as many others have. The survey may indicate we have to risk a very high investment to make it a paying proposition.

You spoke of "international amity" --

THE WITNESS: Yes, but you cannot rely on international amity.

MR. MacDONALD: The experience is you have the American market, which is going to be assured, and



there will be an embargo slapped on in short order.

THE WITNESS: Then you cannot rely on international amity.

BY THE CHAIRMAN:

Q. Have you any idea of how much Canadian traffic would be served on that road?

Here we have a proposition we are discussing, but we are discussing it purely in terms of foreign travel.

Have you any idea how much Canadian traffic would be served by such a road?

A. I have no statistics I can give you on that at all. I can tell you that Canadian travel across the Peace Bridge in the last five years has gone up some 400 percent.

Q. You do not know the origin nor the destination?

A. No; they have no origin statistics on that, which are available.

Q. We find ourselves in this position: although it may be superficially attractive to build a four-lane highway between Fort Erie and Windsor; that road is going, if built, to cut through some of the most valuable agricultural land in Ontario, and it would cause a great deal of disruption to the residents of the area through which it might go, and we were wondering



if that would not be built purely to serve a foreign traffic.

A. Oh, no.

Q. What is there in it for the people of Ontario?

A. I would think --

Q. The point is well made and thoroughly weighed and discussed in the last ten minutes, that we would be entirely dependent upon the whim of a foreign jurisdiction, over which we have no control.

A. That point cannot be developed at all. There would be no effect.

Q. So we are taking rather a long look at this.

A. You think I have been brash in trying to vary the discussions with your Committee. Personally, I am very much interested in the concept of toll facilities.

BY MR. MacDONALD:

Q. Have you had any discussion with the No. 3 Highway Association?

A. No. Let me put it this way: some one and one-half or two years ago, they sent a request to me to join their Association. I did join their Association, and have followed the Minutes of every meeting.

I know full well that the No. 3 Highway





Association is adverse to the use of a toll road, through reading their Minutes.

Q. They have said so to us.

A. Yes.

BY MR. CHILD:

Q. Is that not more or less a commercial organization?

A. Yes. My understanding is, it is a commercial organization, and naturally would be adverse to anything which might infringe upon the concepts they have of motels and hotels going up all over the place.

Q. But a good freeway would take the traffic off of No. 3 Highway?

A. There again perhaps I have to revert to the experience of the Yankee toll roads.

As I understand it, the effect of an express highway on pre-existing free local roads has been rather heavy in the initial stages, but very shortly after, the trend seems to go toward refilling and regenerating traffic on the local highways which parallel the toll expressway.

There are, of course, isolated cases and isolated people who are hurt. There is no question of that. But the general trend seems to re-establish the vehicle pressure on the local roads, shortly after



the curiosity seekers -- if I may call them that -- stop using the express highway.

Q. That did not apply on our Highway No. 8, between Hamilton and St. Catherines. It was built up with hot-dog stands, and so forth.

A. Yes.

Q. I think those are the people about whom the Highway No. 3 Association would be worried?

A. Yes. That, again, is a direct line to Toronto and Hamilton, and most of the people who use it are interested in going through the heavy vehicular sections.

Q. Have you any experience in inducing traffic to using the toll road, because of the safety factors, and the low fatality rate?

A. I have followed it, and am a member of the committee on "Fatality Rates", and "Safety Factors" which are being studied at the present time, and next year we will be presenting a highly-detailed report on "Safety Factors on Highways".

Q. Do you think the public would use a highway solely because of the safety factors?

A. No.

Q. They are not that safety conscious as yet?

A. I do not think so. Obviously, from an



engineering standpoint, the express highways are much safer than the normal provincial highways, but it just so happens that I believe that safety starts in the driver's seat, and I think it also finishes in the driver's seat.

BY MR. ROOT:

Q. Mr. French and Mr. Chairman; we have been told that the heyday of toll roads in the United States is over, and the Federal government has "come through" with its very generous financial assistance. Do you want to comment on that?

Would you say your Association is concerned, or do you still think that toll roads are the answer?

A. I think the United States Federal government was thoroughly aware of the efficacy and soundness of toll roads. I think this Bill was put through, as a matter of politics.

BY MR. MacDONALD:

Q. In opposition to toll roads?

A. Exactly. I think it was a political matter, rather than sound thinking.

Q. Why would it be politically advantageous to "buck" toll roads, as such?

A. I do not mean to "buck the toll roads", but I think it served the political operators. Do not put





me on public record there, or I will probably "get my neck in a sling".

But it seems to me -- and I am not an expert -- from some small talks I have had, that the United States Federal government was "sold" on and believe in private financing of the required expressways for which a toll would be charged.

I believe they about-turned because of political pressure exerted, via the Congressmen from the local -- let us be plain -- from the people who would be vitally interested in what they could get out of it.

Look at the Highway No. 3 Association; there again, they think there is something which will hurt them.

BY THE CHAIRMAN:

Q. We are firing a great many questions at you, and I would like to give you an opportunity to sit down if you wish.

We have found your replies very interesting, and are enjoying them immensely.

However, I do not want to embarrass you in any way, and if we are, simply say so.

A. No, no. I will tell my friends here, and you gentlemen, if there is any way I can serve you, I



would welcome the opportunity. I consider myself a public servant, and I mean that sincerely. If I can help in a small way, for Heaven's sake, let me co-operate.

Q. If you do not mind, you might continue. We have lots of time, and will stay as long as is necessary.

A. I do not want to "hog" the time, as I know you have more important things to do. Perhaps after luncheon, I would be pleased to continue. I am at your service entirely.

Q. I do not want to embarrass you in any way. I know you are "sold" on the concept of toll roads, but if the Federal government came into the picture, which might happen in Canada --

MR. CHILD: Not until the majority goes down.

MR. ROOT: And that embraces the financing of toll roads.

THE WITNESS: There is a question in my mind, to which I do not know the answer.

It would seem that if the Federal government -- and I am speaking of the United States Federal government -- were to subsidize -- and I think that is what it is -- the construction and building of the required express highways throughout the United States, at the expense of the general taxpayers, there would be, at least



theoretically, no need nor no use for privately-financed toll facilities. I think that would follow.

What the actual or practical effect is going to be, at this point I do not know.

I do know, gentlemen, that the toll-express-highway idea, under construction or in contemplation -- for example, the Florida highway -- is going to be completed.

The Kansas highway is going to be opened about the middle of next month.

We also know that Texas is going ahead with its programme. Whether that will stop or not, I do not know. But I think it is quite debatable as to what effect the Federal financing will have on private-toll financing.

BY MR. MacDONALD:

Q. There is one point which interests me. I do not know whether it interests the remainder of the Committee or not.

In your opinion, the Federal government's interest in this \$30 billion would be for local bodies to put pressure on because of their opposition to toll roads, rather than the growing public requirements for more highways?

A. I do not think I could answer either of your





questions "Yes" or "No".

There is not only a growing demand, but the necessity which is with us right now for highway facilities, which cannot be accomplished for, let us say, the next ten years, even on a greatly speeded-up basis.

In its application to this particular point in which you are interested, I have an idea that a "bunch" got together, and decided they could make better use of the Federal appropriation than by private financing toll authorities.

BY THE CHAIRMAN:

Q. You mean a "bunch" of State Legislators?

A. We are a "bunch" of State Legislators who would just love to get our hands on some Federal money, for the province of Ontario. We feel we deserve it, but we are not getting it.

BY MR. CHILD:

Q. Mr. French, if I may ask another question; you probably have an idea of the number of cars which cross over your bridge in a year?

A. Yes, roughly four million.

Q. That is, American cars?

A. No, all cars.

Q. How many American cars would be going in



the general direction of Toronto?

A. We have had no segregation, nor no categorical check on that, but I can tell you who could tell you. That would be the Collectors of Customs. They would have that, because every American car going over the bridge, goes through Customs, and has to make out what we call an "E-50" which is a tourist permit, and the Customs has this figure available for each and every entry into Canada. I would say it is very heavy.

I would say, in the over-all, throughout the year, it would be pretty close to two million -- about one-half; that is, both ways.

Q. That means a proportionate number of them are going to Toronto, and would be crossing over the Burlington Bridge, and if it were tolled, it would not take many years to actually pay for the construction of it?

A. I agree with that.

Q. In essence, while we are talking about Americans paying for the toll road from Detroit to Fort Erie --

A. I was speaking mainly of passenger cars.

Q. And they could pay for going over the Burlington Bridge?



A. Yes. The Canadians would not use the Burlington Bridge so much, because, coming from Hamilton, they would not go around the loop to go over the Burlington Bridge. They will go along the north side of Hamilton.

Q. If the local traffic had passes, the same as you have in the United States, such as the New York Thruway, which issues passes for local users only, registered in the State, they would be able to use the bridge, and practically, somebody else would be paying for it?

A. That is right.

THE CHAIRMAN: Mr. French, we are very grateful to you. It may be that there will be further questions directed to you, as the discussion goes on, if you would not mind waiting.

THE WITNESS: No, not at all.

---The witness retired.

HIS WORSHIP MAYOR GUESS: The next speaker, Mr. Chairman and gentlemen, is the Director of the Chamber of Commerce, and the Chairman of the Planning Board of Fort Erie, Mr. Ross McCarthy.

R O S S M c C A R T H Y ,  
Director, Chamber of Commerce, Chairman, Planning Board,





Fort Erie, appearing before the Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q. Mr. McCarthy, we will be indeed glad to hear anything you may wish to say.

A. Mr. Mayor, Mr. Chairman and gentlemen; last year, the Chamber of Commerce presented a brief to your Committee. The beginning of that was a newspaper report in the Toronto paper, and in the Financial Post, giving a forecast of what the highway traffic coming into this area might be.

With that coming to our attention, we called on our good friend "Art" Jolley, and Mr. French -- although, as he is a Director of the Chamber of Commerce Board, he would be automatically included in our gathering--to find out just what this meant to our particular area.

The results of our considerations are boiled down into the brief forwarded to you, and we have had no reason since that time to change our opinions.

I have a brief summation of our original views as listed at that time with your Committee, and if I may, I would like to present this for your records.

THE CHAIRMAN: Certainly, sir. It will go into our records.



THE WITNESS: It is dated today, and is addressed to the Legislature's Select Committee studying the practicability and feasibility of toll roads in Ontario, and it reads:

"Gentlemen:

Last February, the Greater Fort Erie Chamber of Commerce, through a brief presented to your committee, offered the opinion that a toll road constructed through Southern Ontario from Fort Erie to Windsor, would be of great benefit to that area of the province of Ontario.

The general feeling expressed was that such a Toll Road, or the new Super Highway to terminate at Fort Erie as reported under consideration by the Ontario Department of Highways, would greatly improve the already crowded highway facilities now provided by # 3 Highway between Fort Erie and Windsor. The fact that # 3 Highway could serve as a freeway for a nearby Toll Road appears as a fortunate circumstance.

It would follow, we believe, that if # 3 Highway is not augmented by the proposed Toll Road or the proposed new Super Highway, surely the existing # 3 Highway must be modernized and reinforced to carry the ever increasing



traffic.

Respectfully submitted to the Legislature's select committee on toll roads, Fort Erie, September 27th, 1956."

And we enclosed a copy of our original brief.

THE CHAIRMAN: Thank you, Mr. McCarthy.

Perhaps you could help us with a question I asked Mr. French, and he was unable to give us an opinion.

How much actual Ontario traffic do you think would use such a road, were it to be built?

THE WITNESS: One thing which came to my mind, as Mr. French was speaking, was this; my home is at St. Thomas, and it is always a pleasure to drive up there in the summer time, but for the past seven or eight years I have been using the train, rather than using the highway with the heavy traffic which is on it. Aside from the through traffic, and the short route which appeals to the American travellers from the State of Michigan, and New York State, there are the citizens of that densely-populated area who must travel to either the eastern or western borders of our province.

BY THE CHAIRMAN:

Q. Our traffic count, as done by the Department





of Highways, actually shows no congestion on No. 3 Highway at all.

They did an origin-and-destination survey, and they made a count of cars, some with only one axle, and one thing and another, and the information we received is that No. 3 Highway is not operated even close to capacity now.

A. Could there be many there who are doing what I do?

Q. I do a great deal of travelling between London and Toronto, but I do not drive any more than I have to. When I see a transport on the highway, I consider it more of a nuisance than anything else. You can get behind a transport and follow it for about eight miles, and then get by, and then for about three weeks you talk about the trucks on Highway No. 3, when you~~were~~ actually behind only one.

We have asked the Highways Department to survey many areas for us, and that is the result we received in regard to No. 3 Highway; in fact, the experts say the road is not operating to capacity now.

I am very loath to support any proposition where we finance something which is dependent upon foreign travel, because I am sufficiently practical to realize that if we hurt the American toll roads comparatively



the Americans certainly will not let the traffic run over our road. In one way or another, they will get them back on their own roads.

A. There was a feature came to my mind as that was being discussed.

Some years ago, I was associated with a committee here which opposed the trucking interest using No. 3 Highway, that is, the American trucking interest. It was the railway people and the Chamber of Commerce which supported the group as citizens of Fort Erie, and we "went along" with it. The railway men themselves had representatives at Ottawa, as this request for the use of the road came along. This was during the war, actually.

Finally, we had a report that it was going to go through, that it was on the agenda for a conference when our own Rt. Hon. Prime Minister, and Rt. Hon. Sir Winston Churchill, and President Roosevelt met, and the necessity of using this highway as a truck route, as a war-time measure, came up, and it was put into effect after that time.

That was the story that came back to us, that it was all important to American shippers that they use this short route.

Q. I can imagine at that time it would be.



A. So it seems to me that necessity overrides many local situations, and that 120 miles saved seemed to be very important --

Q. They have the potato stations in Prince Edward Island. I will speak very frankly to you; the minute the Prince Edward potatoes started to affect the potato market in the United States, there were no more Prince Edward Island potatoes allowed into the United States.

A. But there are many potatoes, and only one No. 3 Highway.

Q. We are faced with many problems of that kind, and we are worrying about them.

A. I listened to hon. Mr. Allan, the Minister of Highways, in an address he gave early this year.

He opened his remarks by painting a very bold picture of the facilities, and the efforts of those people responsible for development.

But as his remarks went along, it was very pleasing to all of us to know that the circulation of traffic could be developed, and was in the making, to make it much easier for us to get around the province.

However, mathematically, he pointed out at that time that the finances of the Highway Department were such that only so much work could be done each year,





and, as I remember, it was going to be many, many years before these very desirable things would be completed, from a financial point of view.

It came before our Chamber of Commerce at the time, and we felt a toll road could serve its purpose.

I believe that is all I have to say.

THE CHAIRMAN: Thank you very much, Mr. McCarthy.

Our present budget in this province is \$185 million, for 1956, and the reports we received indicate that we have over-spent, in the current fiscal year.

MR. AULD: And our revenues were only about \$140 million.

THE CHAIRMAN: I was going to mention that point, as well.

We had a survey made by the Treasury Department as to highway costs over a long period of time -- and highway revenues -- and, by that, I mean the gasoline tax, license fees, the P.C.V. fees, and so on, and for every dollar we spent on highways -- this is an eight-year average -- about 65 cents came from the motoring public. The other 35 cents came from either the general tax revenues, or going on to our provincial



debt.

So, at the moment, our motorists -- you and I and the truckers and everybody who uses the roads -- is not, by any means, paying the whole "whack".

I would not like to leave the impression in your minds that this Committee thinks the motorists should pay it all. There is some place there -- 28 percent. or 30 percent. or 40 percent., where there is a more equitable balance. We do not really know just where that is.

One of the conclusions to which we came in the interim report we submitted in March of this year was that our present highway revenues are not sufficient to pay for the roads we require. We have to get more money. The question is, will we get it out of gasoline taxes; will we get it out of registration fees; will we get it out of the P.C.V. license fees; will we get it from the general revenue, or by borrowing it?

That is what started this whole toll-road proposition; can we finance a highway through tolls?

Your proposition in regard to a road from Windsor to Fort Erie looks very attractive on the map, but I am thinking there are some practical difficulties, I cannot get my mind away from, nor can I find an answer.



MR. AULD: When you look at the map, and after what we have heard about the capacity of Highway No. 401, and regarding the amount of traffic which is going, say, from London to Windsor, and back, there would be no requirement for an additional four-lane road, whether it be free or otherwise, from St. Thomas west, for a long time, because if another four-lane road was built, it would be, I think, within ten miles of paralleling its length.

So it would appear that traffic from Windsor to Fort Erie, no matter what type of road was built, in my opinion, should go from Fort Erie to St. Thomas or Woodstock, and then connect<sup>up</sup> with Highway No. 401.

If we were driving along a toll road, if we could drive five miles to one side and get on to a free road, we would do it. Of course, when that "chunk" of highway No. 401 will be open, with the present revenues, we just cannot say.

---The witness retired.

HIS WORSHIP MAYOR GUESS: I will next call upon Mr. Roy Morningstar, Reeve of Bertie Township.

R O Y     M O R N I N G S T A R ,

Reeve, Bertie Township, appearing before the Committee,





but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q. What do you wish to say, Mr. Morningstar?

A. Mr. Chairman and gentlemen; I am sure I welcome you and your Committee coming down here today to consider our problems.

I have never ridden on a toll road; in fact, I never saw one. I do most of my vacationing in northern Ontario.

However, I will say, if this toll road comes to a reality, it will cut my township right through the centre, and disrupt the whole township.

In your travels, have you found anything to substantiate the statement that a road of that kind creates industry?

Q. Yes, we found that to be quite true. Industry tends to follow --

A. A toll road?

Q. Not so much a toll road, but a four-lane highway, which provides faster accesses to markets and the labour supply.

Industry definitely follows a four-lane highway, as it followed the railways years ago.

A. You can see how interested my municipality is. We are west of Fort Erie, and this road would go



right through the centre of the township, and we would have a village on each side of a four-lane highway. How that would be affected, I do not know at the moment.

There is one other thing: of course, this Highway No. 3 has congested traffic between here and along our lake front. How far west it goes, I do not know; probably up to Dunnville.

The other night, coming down from Niagara Falls to Ridgeway, on the Ridge Road, it took me about ten minutes, and I passed seven American commercial trucks, which is very annoying to our people.

You asked the question as to what percentage of American traffic would be on a toll road. I could give you the figures on that, if you want them. I think you would find out that the percentage would be about one-third. That is only my own opinion.

I live just off of No. 3 Highway. I see it every day of my life, and cross it practically every day, two or three times. I have property on both sides of it.

Q. Mr. Morningstar, might it be that the congestion on No. 3 Highway is limited to the eastern end of it, as a result of your urban conditions, rather than the through traffic?



A. I would say "Yes", very much so. That applies to both ends.

Q. Of course, the Windsor-Fort Erie -- let us face facts -- we took this Committee to Windsor, and received no information in Windsor whatever.

Eventually, His Worship the Mayor did come in, after we had been meeting for an hour, and Mr. Root put it right to him that we could only assume that Windsor is well served, and required no more roads. The Windsor area does not need another road there, from anything we could find out. They have Highway No. 2, Highway No. 3, Highway No. 401, plus Highway No. 98. That area is well served.

There are many areas in the province which will require roads long before the Windsor area, in my opinion.

A. I would say that this section is largely a summer section.

BY MR. AULD:

Q. Q I was going to ask you, Mr. Morningstar, if you would be prepared to give an opinion as to whether a solution might be partially found in a four-lane road, called "3A", which would take some of the large traffic, and perhaps some of the commuter traffic off of present Highway No. 3, out for perhaps twenty miles?





In other words, I mean to avoid the bottle-neck you get around every industrial locality, from people going to and from work?

A. Of course, that would be hard to answer. I realize a toll road would take this annoying traffic off the road -- trucks.

As far as toll roads are concerned, if they could be financed -- which is doubtful -- it would be nice to have a toll road, and there would be some chance of getting some industries in here to help our municipality.

I prefer the toll road. I think it would be more of an advantage.

Along the lake, Highway No. 3 is just a congested road. People come from Hamilton and Toronto, and there are cottages all the way along Lake Erie.

Q. It is just a local road? It is not a highway in that section?

A. That is right.

Q. When you speak of a "highway", do you mean a four-lane road?

A. A proper four-lane road, yes.

Q. You would like to see a road which would take a share of the traffic off the present highway?

A. Yes. I cannot see any reason why traffic



should increase. After all, it is a short-cut from Buffalo to Windsor. They will spend dollars to save dollars.

Q. Would you be prepared to venture an opinion on this? Supposing a four-lane toll road is built from Fort Erie to Woodstock to Highway No. 401, which extends both ways from Woodstock; what would be your reaction, and the reaction of the people, bearing in mind that it would all be on one road of the same standard, if that was the only way of getting it?

A. I think that would be acceptable. After all, it is a matter of saving time and money. The financing would be the big problem.

As far as the gasoline tax is concerned; we hear them speaking about raising the gasoline tax. I think that would be very unfavourable. After all, it is the working man who drives back and forth to work, and takes advantage of the low gasoline tax -- and it is not very low, at that --

THE CHAIRMAN: It certainly is not.

THE WITNESS: I certainly would not favour an increase in the gasoline tax.

---The witness retired.

HIS WORSHIP MAYOR GUESS: I would like now



to call upon Mr. Douglas Eiler, who is the Clerk of Crystal Beach.

D O U G L A S     E I L E R,

Clerk, Crystal Beach, appearing before the Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q.            What do you wish to say, Mr. Eiler?

A.            Mr. Chairman and gentlemen; representing our municipality, and on behalf of our Reeve, Mr. Shephard, who could not attend, and who asked me to come here in his place, it is important that I take back all the information I can gather at this meeting.

I will appreciate any information I can be given by your Committee.

THE CHAIRMAN: Thank you very much, Mr. Eiler.

---The witness retired.

HIS WORSHIP MAYOR GUESS: There is one private citizen here, Mr. Yuhafz, who is the owner of a motel in this neighbourhood.

THE CHAIRMAN: We will be very glad to hear him.

M R.     Y U H A F Z,

Motel owner, Fort Erie, appearing before the Committee,





but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q. What do you wish to say to the Committee,  
Mr. Yuhafz?

A. I am pleased to get anything which will bring  
the town a little help.

THE CHAIRMAN: Is there anything further  
you wish to say?

THE WITNESS: No, I do not think so. Any-  
thing which will be of benefit to the town, I am in  
favour of.

THE CHAIRMAN: Thank you, Mr. Yuhafz.

---The witness retired.

HIS WORSHIP MAYOR GUESS: Mr. Carl Parr, whom  
I appointed as Chairman of our Industrial Committee and  
Mr. McCarthy, are to be looking after us at the luncheon  
we will have following the adjournment of this meeting.

Mr. Parr, is there anything you care to say  
at this meeting, from an industrial angle?

C A R L P A R R,

member of City Council, and Chairman of the Roads Committee  
for the Township Council, appearing before the Committee,  
but not being sworn, deposes and says:



BY THE CHAIRMAN:

Q. We should be very glad to hear you, Mr. Parr.

A. I would just like to say something about our former meeting regarding toll roads and a word about the trucks coming through.

With their expense budget, they have it figured out that a toll road saves them money, and they are vitally interested in a toll road from Windsor to Fort Erie.

They intimated they would be willing to pay for it, if the Ontario government did not put a toll road there. They would ask that they be allowed to do it, and there is the money available. In other words, American interests have seen fit to put up enough money to put in a toll road. A toll road means an increase in traffic to such an extent, that they should not be curtailed by being allowed to only have so many trucks cross to Canada in a certain length of time. I think the restriction now is on a daily basis.

If a toll road was built, they could send all of their trucks on that road, and it would greatly increase the transport trucking part of it, and it would be very interesting.

Q. We are fully aware that the American authorities



want this road desperately, particularly the New York Thruway, but, once again, it is a question of dollars and cents to them, because, if a toll road was built from Fort Erie to Windsor, it would tie in the industrial areas from here into New York and Boston.

But what is there in it for the citizens of Ontario, whose farms you would be cutting in two in order to build that road?

A. I think there would definitely be revenue accruing to the Canadian government -- or the government of the province of Ontario.

These fellows with millions of dollars, do not put money up too readily, unless they can see where they will get it back.

Q. We had a delegation before this Committee, headed by a man from my own city, working with a firm of engineers, and he said, "We will build this road".

At first blush, it looked like a good proposition. We said, "What will you require?". He said, "(a) The province's powers of expropriation to get the rights-of-way, and (b) we will require a full provincial guarantee of the issue of bonds necessary to pay for this road."

So we said to him, "If that is the case, why not build it ourselves?".





We did not consider this proposition a particularly good deal for us in the province, looking after the interests, as we all hope we are doing, of this province. It just was not a good deal.

A.                   .   The way it was got at there, I think it was felt there would definitely be revenue from it.

THE CHAIRMAN: I think there would be, as long as the traffic was not interfered with either at the Buffalo end or the Detroit end, because we would have no control over any other jurisdiction.

.           THE WITNESS: It would cost them so much more to build one on the American side, and the shorter route could be more economically constructed than on the American side.

BY THE CHAIRMAN:

Q.           There are not nearly the centres of population to go through here. It is a more level terrain?

A.           It is a more level terrain.

Q.           I do not want you to think we are knocking down every point you bring up, but we are searching for information.

---The witness retired.

MR. ROOT: I have one question I would like



to ask of Mr. McCarthy.

THE CHAIRMAN: Very well.

R O S S      M c C A R T H Y,

of the Fort Erie Chamber of Commerce, re-appearing before the Committee, but not being sworn, continues his deposition as follows:

BY MR. ROOT:

Q.        You mentioned it was on the agenda, and discussed by our Rt.Hon. Prime Minister, Rt. Hon. Sir Winston Churchill and President Roosevelt?

It was reported to us, in this report which was made to the Federal government that your Chamber of Commerce made representations to the Federal government that this road might be considered something in the way of an international project, and they should contribute, and put it on the same basis as the Trans-Canada Highway?

A.        Our interest was created last year when we read the newspaper reports. They were rather vague, but we then had the basis for some of the planning over a long-range period.

As we were interested in the subject, when we heard this Select Committee was investigating it, we felt we should prepare a brief of our activities



and put in a word of what we needed, particularly for this area.

We have never contacted the Federal government, and have not considered it, because our interest was created from last year's newspaper reports.

There is one question which occurred to me, as I listened to the discussions by some of the speakers, and that is regarding the point of industry following the highway, carrying the transport lines.

I think we have all agreed, and those in Toronto will appreciate my reference to this, when I refer to the concentration of industry in the Toronto area.

During the war period, and for years afterwards, I think that those who were doing the planning have recognized the importance of centralization, and the need of the vortex in the Toronto area, which has attracted a great deal of business, which is only natural, we more or less envy, rather than criticize that fact.

But there are so many things entered into that, which, from a planning point of view, should never have occurred.

Even now, the Provincial Planning Department is trying to widen the vortex, so to speak. Their thinking





is that several points in Ontario will lend themselves to that development, and that industry will follow the transport lanes.

As Mr. French has said, I think it will draw more industry, and it seems that will be true, and we hope it will attract more industry down this way.

As I mentioned in our brief, the highways are not kept up properly in this part of southern Ontario, and I mean St. Thomas, Windsor and Fort Erie.

The highways are more or less obsolete, and antique, and the cost of keeping them up must be terrific --

Q. We have a weight limit, which means that many of your trucks cannot ride on it -- and I refer to Highway No. 3.

A. It is too bad we are losing that potential.

Q. We are all aware of that fact.

A. Business has always centered in the path of commerce, whether it was in Thorold, or elsewhere, and so we are on the "skimpy" side in regard to industry in this part of southern Ontario, and we think this is a good place for it.

I will mention this point once more, if I may take the time.



THE CHAIRMAN: Certainly, Mr. McCarthy.  
Take all the time you require.

THE WITNESS: Mention has been made of joining a branch toll road in with Highway No. 401. In my mind, I can see where that road might create a bottleneck at Woodstock; in other words, they are losing the use of the truck route to Windsor, and we are losing the advantage of these transports, more or less, by having to go up through London, and, in addition, a toll charge over this leg from Fort Erie.

The transport people think they could just as well go into Niagara Falls, rather than come to Fort Erie. They might prefer this area if we had a toll road, in addition to providing a shorter route.

Our big interest is a direct line to Windsor.

BY THE CHAIRMAN:

Q. The fact of the matter is, as long as Highway No. 401 is there, you cannot possibly put a road parallel to it. It is not economically feasible, nor is it necessary. There is not enough traffic, even with the American traffic.

A. Would it not be better to develop that road into Woodstock, and make a freeway from Woodstock in?

Q. Eventually, there will be a link with Highway No. 401, which will come in to the Peninsula from the



Woodstock area, and connect up with a road to Kitchener, Waterloo, Hespeler and Galt.

A.        Would my thinking be reasonable as far as tacking on a toll?

Q.        I would say it was quite impractical.

MR. CHILD: The actual distance would be very little between Detroit and Buffalo, going part of your way on a toll road, and then taking Highway No. 401. The difference would be very slight.

MR. AULD: I would say about ten miles, as the crow flies.

THE CHAIRMAN: I think Mr. McCarthy's point is that, take one forty-mile stretch of the entire highway system, and put a toll on it, because you have some railway traffic along with it. I think that was his suggestion made this morning.

I believe that was your point, Mr. McCarthy?

THE WITNESS: The suggestion definitely is for a highway from Fort Erie to Windsor.

---The witness retired.

HIS WORSHIP MAYOR GUESS: Mr. Chairman and gentlemen; I believe, in summing up, that we are quite familiar with the Fort Erie feeling toward it. It is only natural we want better highways into Fort Erie.





No. 3 Highway is entirely inadequate.

Mr. McCarthy said he used the trains, and I have occasion to go to Brantford quite often, and I go by way of Hamilton, to avoid Highway No. 3.

There are other instances of the avoidance of Highway No. 3, so you cannot say what the traffic will be, if Highway No. 3 was improved.

You gentlemen are handling a very delicate proposition. You have heard opposition in other cities, whereas, in this municipality, we have a personal interest, which is becoming considerably more than an over-all interest. It seems it is developing more every day, and we are having more or less of a nasty situation in connection with this opposition group, which, of course, will have to be considered in any decisions you have to make.

It is a very serious thing, this road situation, especially in our area here.

I had one of the Civil Defence Directors here, and he had a map which showed the plans for the evacuation of this area for fifty miles in the area of this proposed toll road.

Of course, that is a national and Federal feature, but it provides you with grounds to get our Federal representative interested in this, because they



are concerned with getting into the area of St. Thomas, which is on the way up to Port Colborne and Welland.

I do not think there should be any delay in finding out what should be done in this area, whether it be a toll road, or a four-lane highway, because, in either event, you must look after the safety of the people of this province.

That is one point which is very sorely needed in this area. I do not know how you would evacuate this area, but we must have this highway to evacuate our people over it.

You spoke about this road having to be financed. Of course, it must be financed, and we have to overcome our difficulties, because if we lose out to the enemy, we will not be worrying about what kind of a road we have.

THE CHAIRMAN: How true.

HIS WORSHIP MAYOR GUESS: Go back to your Legislature, and say that we have to have bigger and better roads in this vicinity.

THE CHAIRMAN: Thank you, Your Worship.

In closing, gentlemen, I think our trip into the Peninsula has been very attractive. We had a very good meeting in Welland; we had the problem sketched to us, which was an area problem.



I think what we heard yesterday concerned Fort Erie as well as Welland, St. Catherines, and Niagara Falls, and we have been very much interested in hearing your suggestions this morning. After all, that is why we are here.

We will ponder over the information you have given us, and the resolution which you produced, which will be of benefit to all of us.

Thank you, indeed, for coming and attending at this meeting this morning.

If there is nothing further, the meeting will stand adjourned.

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---Whereupon at one of the clock p.m., the further proceedings of this Committee adjourned, to reconvene in the city of Toronto, on Thursday, October 11th, 1956, at 10:00 o'clock in the forenoon.

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(page 2500 follows)







ONTARIO

P R O C E E D I N G S

of the

SELECT COMMITTEE APPOINTED BY THE LEGISLATURE  
OF THE PROVINCE OF ONTARIO TO ENQUIRE INTO AND  
REPORT UPON MATTERS IN CONNECTION WITH TOLL ROADS  
IN THE PROVINCE.

Mr. J. P. Robarts, Q.C., Chairman.

Mr. D. J. Collins, Secretary.

- - - -

VOLUME XXIX

Thursday, October 11th, 1956.

TORONTO, Ont.

- - - -

R. C. Sturgeon,  
Official Reporter,  
Parliament Buildings,  
Toronto, Ontario.



T W E N T Y - N I N T H   D A Y

Toronto, Ontario,  
Thursday, October 11th, 1956,  
11:00 o'clock, a.m.

- - - - -

The further proceedings of this Committee  
reconvened pursuant to adjournment.

Mr. J. P. Robarts, Q.C., Chairman,  
Presiding.

PRESENT:

Messrs. Auld,  
Yaremko, Q.C.,  
Sandercock,  
Root,  
Mackenzie,  
Reaume,  
Manley,  
MacDonald,  
Mr. D. J. Collins, Secretary.

- - - - -

APPEARANCES:

Mr. Edward Gordon	Inter-City Trucking Lines.
Mr. J. R. McLeod,	Automotive Transport Association of Ontario.



Mr. W. G. Scott,	Railway Association of Canada.
Mr. Robert Erskine,	Truck Transport Magazine.
Mr. Robert McBeth,	Bus and Truck Transport Magazine.
Mr. Joseph O. Goodman,	General Manager, Automotive Transport Association of Ontario, (Inc.)

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THE CHAIRMAN: Gentlemen, we have a quorum  
and we will proceed.

I think you all know Mr. W. G. Scott, who  
appeared before this Committee on a prior occasion on  
the question of toll roads. He is here to present  
a brief to the Committee in connection with our study  
of the weight-mile tax.

W. G. S C O T T,

of the Railway Association of Canada, appearing before  
the Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q. We will be very glad to hear from you at this  
time, Mr. Scott.





A.        Thank you, sir.

Mr. Chairman and gentlemen, the Railway Association of Canada welcomes this opportunity to present its views on certain aspects of highway finance which have been added to your terms of reference with respect to the inquiry into toll roads. A letter from your secretary, dated April 20th, 1956, stated that your Chairman "invites representations on both the application of the toll principle and the feasibility of introducing weight-mile taxes into Ontario."

#### Toll Roads

1.        The views of this Association on toll roads were presented at your hearings last year. Its position today is essentially the same, and therefore it regrets being unable to agree with one of the six recommendations made in your initial report to the effect that consideration should be given to: ,

"the possibility of a portion only of the capital cost of any project being financed and amortized through the imposition of a toll... ."

This Association would again respectfully draw your attention to the views of Mr. C. L. Dearing of the Brookings Institution, a recognized authority



on the principle of toll roads, on this point.

Addressing the United States National Conference on Highway Financing in Washington, December 1953, he said:

"In my judgment, the major role of toll roads in the problem of highway modernization will be realized only if the concept of self-liquidating enterprise is preserved. . . . The use of general tax revenues or the full-faith and credit of governments for this purpose invites the substitution of political criteria for sound engineering traffic programming, and economic tests in determining when and where a toll facility should be built."

2. A recent trend in traffic on several United toll roads has caused growing concern to some toll road authorities regarding the self-supporting features of the facilities. Anticipated truck use had been a major consideration in the planning of these projects. Recently, however, truck traffic has been disappointingly small on several of these roads. The diversion of passenger car traffic to the toll road has so relieved congestion on the parallel free road that it has become as attractive to trucks as the toll road



and involves no additional payment for its use. This development has placed the self-supporting feature of some toll roads in a precarious position.

3. Toll roads will only attract commercial truck traffic where the facilities provided are so vastly superior to the alternate free roads that the operation represents substantial savings in vehicle operation and maintenance costs.

Unless the parallel free road is highly inadequate, commercial vehicles will continue to use the free road. This is an important consideration in estimating potential traffic of any projected toll road in your province, affecting as it does the self-liquidating aspect of such facilities; and, therefore, is worthy of your careful consideration.

#### Weight-Distance Taxes

4. As in the case of toll roads, no Canadian province has yet adopted any form of weight-distance tax as a means both of augmenting highway revenues, and achieving greater equity in existing motor vehicle taxes.

For this reason, it will be necessary to draw very heavily from United States experience, where the principle has been adopted by a number of States, in





any consideration of the application of the principle of weight-distance taxes.

Reasons for Weight-Distance Taxes

5. The reasons for the growth of weight-distance taxes are much the same, or may be traced to the same underlying causes, as were responsible for the growth of toll roads, with one basic and important qualification. As was pointed out in this Association's previous submission, the pattern in which toll roads evolved was one of serious highway deficiencies combined with inadequate revenues to correct them. Thus the toll device was resorted to, largely because it was a simple expedient for meeting the problem quickly.

6. It was observed, that the toll road was conceived as a special solution to a special problem -- in no sense were toll roads recognized as a permanent solution to the wider problem of adjusting the tax structure so as to permit improvement in the general standard of highways. Until new or additional revenue sources could be devised, the toll device appeared to be at least a temporary expedient to the problem. It did not, however, preclude the need for a basic revision of motor vehicle taxation designed either to increase the revenues from existing



sources or to devise some entirely new source of revenue.

7. Thus, whereas the toll road had been viewed more in the nature of a symptom of the highway problem, weight distance taxes are coming to be recognized as a possible cure, since they constitute a new source of revenue, and one which, in the light of the changed composition of today's traffic, would appear to be fair and logical.

8. For a proper appreciation of why a growing number of tax and highway authorities throughout the United States are accepting the weight-distance principle of motor vehicle taxation, it is necessary to consider their views on the traditional forms of taxation.

Many have come to the conclusion that the gas tax and license fee, -- either singly or in combination -- are both inadequate, and obsolete as a method of payment for the use made of highway facilities. Inadequate in the sense that they are incapable of providing the revenues needed for highway modernization; and obsolete in the sense that they no longer reflect highway cost responsibility -- particularly the additional cost of building and



maintaining highways occasioned by the growing proportion of heavy vehicles in the traffic stream.

### Gasoline Tax

9. The gasoline tax has been, by far, the most productive source of highway revenue accounting for approximately 60% of the total in the United States and slightly more than 70% in Canada. In the province of Ontario, the gasoline tax accounts for an even larger proportion of the total -- 75.9% or \$92,657,841 out of a total of \$122,089,852 in 1954, the latest official data available to this Association.

10. More and more States have found from highway studies that the gasoline tax, insofar as it pertains to large and heavy vehicles, has an inherent deficiency in that it discriminates between vehicles of different size and weights. For light vehicles it does provide a generally satisfactory method of applying the user-charge principle, because such vehicles are of the same general size and weight, use the same type of fuel, and therefore pay in proportion to mileage driven.

The same is not true, however, for heavy vehicles and combinations because their consumption of fuel does not increase proportionately with





increasing vehicle sizes and weights, and they do not all use the same fuel.

As the weight of the vehicle increases beyond a certain point the proportionate amount of gas consumed per mile in relation to weight carried decreases, so that in effect the heavier vehicles receive greater highway benefits per unit of tax.

For example, a passenger car which gets 15 miles on a gallon of gas and weighs 2 tons receives 30 ton-miles of highway use per gallon of gas. A heavy transport, on the other hand, which gets 5 miles on a gallon of gas and weighs 30 tons gets 150-ton miles per gallon of gas. Yet each vehicle pays an identical tax per gallon of gas.

11. Highway tax studies undertaken since the end of the war by California, Illinois, New York, Ohio, Oregon, Minnesota and Washington have all concluded that the continued use of the gasoline tax as the principle component of the highway-user tax bill simply means that heavy trucks will not pay their way, and that passenger cars and light commercial vehicles will have to pay the deficit.

A report issued in 1955 by a New York State Joint Legislative Committee on "Carrier Taxation", for example, stated:



"If ease of administration and low cost of collection ratios are the total objectives in devising highway taxes, then we need look no further than the simple expedient of increased gasoline tax. If, however, we recognize the need for equitable taxation, that is, the assigning of tax responsibility in proportion to the costs incurred, the benefits obtained and the use made of our highway facilities, the increased gas tax is a decidedly inferior revenue measure. Any increase in the gas tax must, if equity is served, be accompanied by increases in taxes that apply to commercial vehicles, especially those affecting heavy vehicles."

Appendix "A" to this submission presents for your consideration, gentlemen, typical views of United States highway and tax authorities as to the underlying problem of the gasoline tax, under existing traffic conditions, as the major component of motor vehicle-user charges.

#### Diesel Fuel Tax

12. The basic defect in the fuel tax as an equitable method of taxing motor vehicles for highway



use is even further aggravated when differences in fuel efficiency are taken into consideration.

The Canadian Tax Foundation in its study of highway finance, "Taxes and Traffic", stated on page 114 that "the greater mileage obtained by a vehicle propelled by diesel oil than the one using gasoline has the effect of taxing gasoline-propelled vehicles at a higher rate per mile of travel than diesel-propelled vehicles."

13. That the rate of taxation on diesel fuel is discriminatory against gasoline propelled vehicles is clear from studies which have been made in the United States, extracts from which appear as Appendix "B" to this submission.

#### License Fees

14. License and registration fees are graduated according to differences in vehicle weights; but no consideration is given to differences in annual operating mileages. Therefore, license fees are at best only a rough measure of highway use, actual use not being reflected in their rate of progression.

A motor vehicles having a maximum gross weight of 40,000 pounds, for example, licensed at \$400 per year, would pay 1.6¢ a vehicle mile if operated





25,000 miles a year, but only 0.4¢ if operated 100,000 miles annually.

This sharply tapering effect, favouring the heavy-mileage vehicles, is an inherent weakness in the application of the license fees to vehicles of similar weight but different highway utilization.

15. These reports have also noted a further difficulty with regard to license fees, namely the problem of reciprocal tax agreements. Reciprocity has in effect amounted to the waiving of license fees for out-of-state vehicles, thereby resulting in discriminatory treatment between resident and non-resident vehicles.

16. The United States National Association of Tax Administrators made a study of the principle of reciprocity as applied to heavy commercial vehicles in 1952. Among its numerous conclusions were the following:- while interstate motor carriers should be required to pay no more than their fair share of highway costs, the application of full reciprocity is no solution to the complex problem of motor vehicle taxation. It is arbitrary and has created more problems than it has solved. It found existing reciprocal tax agreements to be:



"confused, illogical and totally inequitable sometimes for motor vehicles, and sometimes for the states providing the highway service."

That last statement, gentlemen, is a direct quote from the report.

17. Reciprocity in the United States has not only resulted in a substantial loss of revenues to those States which are geographically situated between two or more states, referred to as "bridge" states, but has been highly discriminatory against resident vehicles. Discussing this problem before the thirty-fourth Annual meeting of the Highway Research Board 1955, Mr. C. A. Rothrock, an official of the West Virginia Highway Department stated:

".....a large percentage (approximately 50 percent on many highways) of the traffic by heavy combination vehicles responsible for a great part of the cost under the incremental analysis are registered in other states. They pay nothing toward the cost of the highways in West Virginia beyond the motor fuel tax and that not necessarily in proportion to the fuel consumption. Obviously, this situation adds an inequitable burden upon the owners of vehicles of the classes affected which are registered within the State."



18. The real objective of reciprocity, when stripped of much of the confusion and controversy which now surrounds it, should be to insure a fair and equitable distribution of highway costs, not only between vehicles of different sizes and weight, but also between vehicles resident and non-resident within a particular state or province.

19. Recognizing the existing deficiency of the present tax system: the gasoline tax discriminating against light-weight vehicles; license fees against low-mileage heavy vehicles; and reciprocity against vehicles resident within a particular province or state, a number of studies in the United States have concluded that what is required is a user tax which would supplement existing taxes thereby removing the inequities which presently exist in their application to the large and heavy vehicles in short -- a mileage-user charge upon large and heavy vehicles, graduated by weight classes, and directly variable with the actual use made of highway facilities.

20. Such a tax not only ensures a proper balance between highway expenditures and motor vehicle revenues but of even greater importance does so equitably, by charging for highways in proportion to the actual use





made of them by vehicles of different sizes and weights.

21. Hence these considerations have given rise to the introduction of various forms of weight-distances taxes by a growing number of states.

Appendix "C" lists those states which have use-taxes of one form or another.

I may say that Appendix "A" was taken from the Congressional report issued in June of this year, and is perhaps the most up-to-date information there is, as to the application of this principle in the United States.

#### Types of Weight-Distance Taxes

22. Twenty-five states or slightly more than half have adopted weight-mileage taxes of varying types. Nine states base their tax on either the weight mile, passenger-mile or ton-mile principle; the balance on axle-mile, vehicle-mile or rated capacity-mile performance of the vehicles. Several states have optional mileage taxes in lieu of registration based on gross or tare weight-miles, and gross ton-miles as the case may be.

23. The most recent and striking adoption of the



principle is to be found in the recently enacted Federal Highway Act which provides for the first time special federal highway-use taxes. For example, one of a number of new sources of revenue is a special tax on all vehicles of more than 13 tons.

24. The three principal types of weight-distance taxes are the weight-mile tax as found in Oregon and New York; the axle-mile tax in Ohio; and the ton-mile tax in Colorado. The weight-mile and axle-mile tax, which are similar in principle, differ from the ton-mile tax in two basic respects -- these taxes are related to the cost responsibility associated with vehicles of different weights; and there is only one variable, mileage.

25. Axle-mile and weight-mile taxes are both based on the assumption of a proper and scientific cost responsibility for each weight group of vehicles. Briefly they embody what is known as the incremental method of cost allocation, and assign tax responsibility in accordance with the cost of providing highway standards required by vehicles of different sizes and weights. The tax responsibility of each weight group is expressed in a mileage tax, and the total tax paid by each vehicle is the product of the weight times



the miles it has travelled. In Oregon the tax responsibility is fixed regardless of whether the vehicles moves empty or loaded. In New York, empty vehicles are taxed only on the tare weight of the vehicle.

26. The ton-mile tax, on the other hand, is not based on the concept of differential costs of building highways for vehicles of different sizes and weights, but rather on differential benefits received by vehicles of different sizes and weights. Hence the tax varies both with the load and mileage.

I might also say, gentlemen, that the ton-mile tax is basically an autonomous approach to the problem of weight cost and weight mile, and the axle-mile tax, and is the engineers' approach to the problem of the cost responsibility.

27. In the case of axle-mile and weight-mile taxes the weight factor remains constant, but the ton-mile tax is based on the actual weight for each vehicle movement hence involves maintaining records of weights as well as mileage.

Now, turning to the objections of the weight-distance tax as raised in the United States:





Objections to Weight-Distance Taxes

28. Those opposed to weight-distance taxes have raised the following major objections:

- (i) Administration costs are high relative to the additional revenues raised.
- (ii) Maintenance of operating records are burdensome.
- (iii) Reciprocity agreements between States are adversely affected.

29. These objections have been examined on a number of occasions both by Government bodies and independent groups. Their findings have been as follows:

Administration Costs

30. In a special report prepared for Oregon's Legislative Highway Committee in 1954, by the Stanford University Business Research Institute (Supplementary analysis to SRI Project 965), it was found that the collection and administration costs of the Oregon's weight-mile tax amounted to only 4.38% of revenues collected.

31. Costs for the State of New York have been around 9%. The New York State Legislative Committee



Report on "Carrier Taxation 1955", observed at page 42:

"The weight distance tax collection ratio has, as expected declined steadily is now estimated at 9%, and will diminish further in the future. In 1950 the cost of collecting motor fuel and registration fees in this State was estimated at 3.3 per cent. The disparity between the two figures is easily justified by the increased taxpayer equity obtained, the many incidental benefits that have accrued through vehicle weight enforcement and other incidental but significant regulatory effects."

32. Mr. C. F. Conlon, Executive Director of the United States National Association of Tax Administrators, in an article entitled "State Highway User Taxation, a Brief Summary of the Existing Situation, 1953", commenting on the New York weight-mile tax said, at page 5:

".....in New York the cost of administration for the weight-distance tax in the first year was 9.5 per cent. After the removal of some exemptions and the enactment of amendments otherwise strengthening the statute, it is estimated the cost will drop to 6.8 per cent on a similar basis. If the motor fuel tax



component were included in the basic mileage tax rates, the cost ratio would be under 5 per cent. This is lower than the cost-revenue percentage under most state cigarette tax laws."

I would like to repeat that, gentlemen:

"This is lower than the cost-revenue percentage under most state cigarette tax laws."

"In summary it may be said that it is sound administrative opinion that a mileage tax graduated by gross weight categories can be effectively enforced at a reasonable cost."

#### Record Keeping is Burdensome

33. The ton-mile tax, because both weight and mileage are variables requires a larger amount of record keeping. It is for this reason that the weight-mile tax has been adopted by a number of States in preference to the ton-mile tax. The ton-mile tax, however, is, in fact, a more scientific approach to cost responsibility than any other form of weight-distance tax.

34. For small operators, any form of weight-distance tax requires the maintenance of records which might otherwise not have to be kept. But weight-mile taxes generally only apply to vehicles over 18,000 pounds,





and operators of vehicles of this size maintain records of the type required for weight-mile taxes for other purposes. The New York State report referred to earlier stated, for example, at page 42:

"The only records they are required to keep are mileage. Nearly all vehicles over 18,000 pounds operate under P.S.C. or I.C.C. regulations, both of whom require mileage records. Industries maintaining private carriers require them to keep such records also. There are very few transporters who were not already keeping these records prior to this tax either for the above reasons or for income tax purposes."

#### Reciprocity

35. It is argued that weight-distance taxes undermine the principle of tax reciprocity between states. This matter has been given careful consideration by courts as well as by highway and tax officials. Typical of some of the views which have been expressed on this question are the following:

36. The New York State Supreme Court, the Appellate Division, the Court of Appeals stated on October 5, 1951:

"The statute and legislative proceedings on which it (the weight-mile tax) is based establish



with more than customary clarity that what is here imposed is a compensatory tax for road use. The formula.....indicates unusual care to equate the sum exacted.....to the benefits conferred.....the court cannot say that a tax... applicable alike to interstate and intrastate vehicles and in an amount not shown to be unreasonable.... constitutes a violation of the interstate commerce clause."

37. The Report of the New York State Joint Legislative Committee on Carrier Taxation, 1955, in considering weight-mile taxes and reciprocity stated at pages 45 and 46:

"Reciprocity was never intended to be a device to insure that a vehicle, simply because it operates between states, would completely escape its tax responsibility for the costs it occasions, the use it obtains and damage it does. As previously developed, any tax measure which provides that inter and intrastate vehicles shall be taxed without distinction or discrimination completely satisfies the requirements of reciprocity."



38. The Executive Director of the United States National Association of Tax Administrators in an article entitled "State Highway User Taxation and Heavy Commercial Vehicles, a Brief Summary of the Existing Situation 1952" stated:

"The motor fuel tax is not an adequate compensation for use of highways by out-of-state vehicles. Studies previously referred to have shown that even a combination of annual fees and a fuel tax is insufficient to equalize highway costs between heavy and light vehicles, and for that reason supplementary taxes utilizing weight and mileage factors have been enacted. . . ."

"Essentially this is what the proponents of unlimited reciprocity advocate; that interstate vehicles be accorded the privilege of travel on terms much more favourable than the state can make to domesticated vehicles."

39. A criticism which is frequently levelled at the ton-mile as distinct from the other forms of weight-distance taxes is that it is an arbitrary and inaccurate measure of highway use. Those advancing this argument confuse the gross ton-mile theory of cost allocation with the ton-mile tax. This point was clearly made by Commissioner - T. H. MacDonald of





the United States Bureau of Public Roads, in a submission to a Congressional Sub-Committee on Domestic Land and Water Transportation, 1952.

He stated:

"Objections to the gross-ton-mile theory as a basis for the determination of motor-vehicle tax responsibility should not be taken to apply to the use of a mileage tax, graduated with weight of vehicle, as a means of equalizing the tax burden in accordance with the findings of a tax study and eliminating discrimination against low-mileage vehicles."

40. Criticism of the ton-mile method has generally come from the Motor Carrier Industry. It is interesting to observe therefore that the Ohio Incremental Study of Motor Vehicle taxation, 1951, criticized the ton-mile approach because it unduly favoured the heavy vehicle. This statement appears on page 89 of the Ohio Report:

"Two general observations may be made here. The first is that in any use of ton-miles for computing cost we are substantially favoring the commercial vehicles and particularly the heavier weight types of commercial vehicles. The reason is that any average ton-mile cost



for a whole highway system is based, in part, on the costs of the more expensive elements of construction required to carry heavy vehicles and heavy loads. But passenger cars and light trucks have no need and get no additional use out of these expensive features of highway construction. If these cars could be charged on the basis only of the elements of highway construction which they require and use, their costs per ton-mile would be substantially lower than any average cost.

The effect, therefore, of applying an average cost to all vehicles alike is to make the passenger cars and light trucks pay a part of the costs of the heavier vehicles."

I suggest this is an interesting quotation in view of the fact that the motor carrier industry claims the ton-mile method of cost allocation and the ton-mile tax, hits the heavy vehicles the hardest.

The Highway report itself says the reason they did not use the ton-mile method was because it favoured the heavier users of the highway.

41. A number of reports do favor the ton-mile theory. Typical of these is a report by the Iowa Free Roads Association. In support of a ton-mile



tax in preference to toll roads this report stated, at page 7:

"But someone may say that you should not compare the charges against the two types of vehicles on the basis of ton-miles of road used. Let's look at that for a moment.

Go up to a trucker and ask him how much he'll charge you to haul some hay. He'll ask you two questions: 'How much does it weigh?' and 'How far does it go?'. He charges for his use of the road on the weight and distance, or tons and miles, the freight is to move. Why shouldn't he pay for his use of the roads on the same basis? The ton-mile is a proper practical, and commonly accepted measuring stick for transportation."

Conclusion:

42. The very marked increase in motor vehicle registrations, combined with the radically changed composition of traffic in recent years has not only rendered large segments of our highway system obsolete, but also the traditional method of taxation used to finance them.

The gasoline tax and license fees in combination





neither raise sufficient revenue to provide the roads and streets which are considered necessary for today's traffic requirements, let alone future requirements; nor do they raise them equitably between light and heavy vehicles. Increased gasoline taxes hit the light vehicle; and increased license fees, vehicles which use highways sparingly.

What is required in addition to these forms of taxes are weight-distance taxes which reflect both weight and mileage, or a supplemental tax graduated in accordance with the weight of vehicles, and directly variable with mileage.

Payment in proportion to use is a basic principle in all other segments of our economy, and is also used extensively in transportation rate-making, the basis of which is the weight carried times the distance moved. There would appear to be no sound reason why it should not be used as a basis of payment for highway use, highways now being predominantly a function of transportation.

This brief is respectfully submitted on behalf of the railways listed in the attachment:

The Algoma Central and Hudson Bay Railway  
Company.

Canadian National Railways.



Canadian Pacific Railway Company.

The Chesapeake and Ohio Railway Company  
(Pere Marquette District)

Michigan Central Railroad.

Midland Railway Company of Manitoba

The New York Central Railroad Company.

Ontario Northland Railway.

The Toronto, Hamilton and Buffalo Railway  
Company.

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APPENDIX "A"

VIEWS OF UNITED STATES HIGHWAY  
REPORTS ON THE GASOLINE TAX

Report of the New York State Joint Legislative  
Committee on Carrier Taxation, 1955, p.9:

"It must be remembered that increased gasoline taxes which qualify in this respect (easy to collect and administer) are not reliable indices of highway use. Gasoline consumption does not rise in proportion to increased vehicle weight. Over 90 per cent of revenues from an increased gasoline tax would be paid by passenger car operators, although their vehicles do not demand the costly facilities required by heavy vehicles. Any increase in gasoline taxes should be accompanied by a proportionate increase in taxes on heavy vehicles."

R. H. Baldock, State Highway Engineer, Oregon, in a letter to the Legislative Interim Committee on Highways, September 16, 1949, as quoted in 'The Highway Use (Weight-Distance) Tax in the State of Oregon', report prepared for the Executive Committee of Citizen's Public Expenditure Survey, Inc., of New York State, by Earl Weller, Director, Rochester Bureau of Municipal Research, November 1950, pp.12-13:





" Beginning with the lightest weight class, or automobile user, we find a satisfactory method of applying a weight-mile tax already in successful operation. Elements of this class are of approximately the same weight, generally operate as single units, burn the same kind of fuel, and there is little variation in the amount of fuel consumed per weight mile. The present gasoline tax, as applied to this class, is equitable and successful -- not because it is a fuel tax, but because the consumption of gasoline by individuals in this class provides a reasonably accurate method of measuring their use of the highways, and therefore, a suitable means of measuring and collecting their proportionate share of the cost.

"In the motor transport group the situation is entirely different; they are of different weights, they frequently operate as combinations or trains of vehicles, they use different kinds of fuel, and there is a radical difference in the amount of fuel consumed per weight-mile. Therefore, it is clear that consumption of fuel in no wise measures the use of all elements and weight classes within this group. To equitably distribute



the cost burden among members of this group by means of a fuel tax it would be necessary to set up a different rate for each of all possible combinations of vehicles within each weight class -- an unworkable method."

"State Highway User Taxation and Heavy Commercial Vehicles" a brief summary of the existing situation, by Charles F. Conlon, Executive Director, Federation of Tax Administrators, 1313 E. 60th Street, Chicago, Illinois, December 1953,- p.3:

" The reason for the existence of a deficiency in payments on the part of the heavy trucks is the fact that the motor fuel tax is in general the most important component in the highway user tax bill. It has been pointed out time and again that the use of this tax as a principal component of the highway user tax system is an unwarranted discrimination in favor of the heavier trucks as against passenger cars and light trucks. In other words, the consumption of motor fuel does not increase in proportion to increases in gross weights in the category of heavier vehicles. See, for example, the studies and reports in California, Illinois, New York, Ohio, Oregon and Washington.



" From these studies it is established that continued use of the motor fuel tax as the principal component in the highway user tax bill means simply that heavy trucks will not pay their way, and that passenger cars and light commercial vehicles will have to pay this deficit."

"Highway Finance", a study prepared for the Ohio Program Commission, by Herbert D. Simpson, Professor Emeritus of Public Finance, Northwestern University, September 1951, p.100:

" Any highway revenue system which depends heavily on gasoline taxation and in which the ton-mileage tax is only a minor element will necessarily be regressive in its final results. The purpose back of the graduated mileage tax is to embody a progressive element in the revenue system. But to make the system as a whole progressive, or even proportional on a ton-mile basis, the ton-mileage tax will have to constitute a much larger element in the system, or the ton-mile rates will have to be graduated more sharply, or both things will have to be done."





"Financing Washington's Highways, Roads and Streets", a report submitted to the Joint Fact-Finding Committee on Highways, Streets and Bridges of the State of Washington, by Dr. James C. Nelson, Economic Consultant and Professor of Economics, the State College of Washington, October 15, 1948, p.82:

".... Thus, it appears that sole reliance upon a gallonage tax upon motor fuels used for highway purposes would fail to exact a proportionate tax contribution toward support of the highways from each class of motor vehicles and highway users."

Statement by Thomas H. MacDonald, Commissioner, Bureau of Public Roads, U.S. Department of Commerce, Appendix VI, p. 1043, of hearings before the Subcommittee on Domestic Land and Water Transportation of the Committee on Interstate and Foreign Commerce, United States Senate, 81st Cong., 2d sess., pursuant to S. Res. 50, July 6, 1950.

".... Most students of the subject have concluded, however, that the motor-fuel tax taken alone does not provide a sufficient differential with variation in weight to care for the increasing tax responsibility of the heavier vehicles."



"A Practical Program to Improve Taxation of Interstate Highway Use," submitted by the Committee on Highway Use Taxes, Dixwell L. Pierce (Secretary, California State Board of Equalization), Chairman, adopted at the 20th Annual Conference of the National Association of Tax Administrators, June 11, 1952, p.17:

"..... Fuel taxes standing alone do not exact contributions from larger vehicles sufficient to offset the highways costs for which they are held responsible."

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APPENDIX "B"

VIEWS OF UNITED STATES HIGHWAY REPORTS ON  
THE DISCRIMINATORY EFFECT OF AN EQUAL TAX  
ON GASOLINE AND DIESEL FUEL

The report of the California Collier Commission - "A Proposed System of Highway Financing for the State of California," 1946 stated at p.80:

"The fact that diesel fuel consumption per mile is considerably less for vehicles of a given size than gasoline consumption for vehicles of the same size requires the imposition of a higher diesel tax if equal payments for highway use are to be exacted.

"At the staff's request, the Board of Equalization collected data from a number of truck operators which show that the ton-miles of operation per gallon of fuel were 57 per cent greater for diesel trucks than for gasoline-powered trucks.

"---Estimates made in other studies substantiate the data assembled by the Board of Equalization. It has been variously estimated that a diesel-powered vehicle of a given size will travel from 60 to 100 percent. more miles on a gallon of fuel than a gasoline-powered vehicle of the same size.





"In view of the differences in consumption and hence in tax contributions, it is recommended that the use fuels (diesel) tax be increased 50 percent over the gasoline tax rate.... It is believe that a 50 percent increase is definitely favorable to the diesel-powered vehicles, but data are not conclusive enough to establish a larger differential at the present time.

"Diesel-powered vehicles should pay the mileage or weight taxes as recommended heretofore in addition to the higher diesel fuel tax. The higher diesel tax is imposed simply to equalize the difference in fuel tax burdens between diesel and gasoline-powered vehicles. When this burden is equalized, both types of vehicles may properly be required to pay the same mileage taxes."

"Taxing Washington's Motor Vehicles Equitably for Highway Services, " a report submitted to the Joint Fact-Finding Committee on Highways, Streets and Bridges, by Dr. James C. Nelson, Economic Consultant and Professor of Economics, The State College of Washington, September 23, 1950, p. 103:



"....The conclusion appears wholly valid that a marked fuel economy exists in favor of the diesel power units, which unless a differential fuel tax or gross weight fee is applied, creates an inequity in the highway user tax structure."

"Financing Modern Highways for Michigan", a fiscal report to the Michigan Legislative Highway Study Committee, by Richard M. Zettel, Economic Consultant, Dec. 14, 1955, pp.91-92.

". . .The general consensus is that a differential in the diesel fuel tax rate over gasoline on the order of 50 per cent is warranted.

" It is recommended that the diesel tax be increased by 2 cents from 6 to 8 cents per gallon, as a step towards equalization of the user tax structure. Such action would re-establish the differential of one-third that existed from 1951 to 1955. This is regarded as a minimal interim adjustment. If the Highway Department undertakes a motor vehicle use survey, suggested elsewhere in this report, data should be provided to make further adjustments in the diesel fuel tax rate."



Report of the New York State Joint Legislative Committee on Highways, Canals and Revenues, 1951, Legislative Document (1951) No. 67, p. 53:

" Various estimates of the greater mileage per gallon in diesel operation range from 30 to 100 per cent, with 50 per cent as the compromise figure most often quoted.

" In view of the difference in consumption and hence in tax contributions, it is recommended that the use (non-gasoline) fuels tax be increased 50 per cent over the gasoline tax rate that is finally adopted. For example, if the gasoline tax rate is 4 cents, a 6-cent use fuels tax is recommended. With a 5-cent gas tax, the diesel tax should be  $7\frac{1}{2}$  cents. It is believed that a 50 per cent increase is definitely favorable to the diesel-powered vehicles, but data are not conclusive enough to establish a larger differential at the present time."

"Highway Finance" a study prepared for the Ohio Program Commission by Herbert D. Simpson, Professor Emeritus of Public Finance, Northwestern University, Sept. 1951 p. 103:

"It is recommended that the gasoline tax be





increased to five cents and the diesel fuel tax to  $7\frac{1}{2}$  cents. This will preserve an approximate parity between gasoline powered and diesel powered vehicles."

"Equal Charges for Highway Use", Directors of Iowa Free Roads Association, Inc., January 1, 1955, p. 15:

". . . . Diesels consume less fuel than gasoline motors, thus paying less gas tax so their aggregate payments are less when registration fees and fuel tax are combined."

"Highway Matters," report of the Commission to Study Matters Pertaining to Highways to the Governor and the General Assembly of Virginia, Senate Document No. 13, November 9, 1953, pp.58-59:

"It is therefore recommended:--\*\*\*

"That in view of the proven efficiency of the diesel engine over that of the gasoline type (amounting to some 40 to 50 per cent greater mileage per gallon of fuel) that the tax on over the road DIESEL fuel be increased to 2 cents per gallon over and above the then current tax on over the road gasoline fuel...."



APPENDIX "C"

LIST OF STATES WITH SOME FORM  
OF HIGHWAY USE TAX

	Tax applicable to vehicles carrying-		Reciprocity to out-of-State motor vehicles	
State			Tax Basis	
	Property	Passengers		
1. MILEAGE TAXES IN ADDITION TO REGISTRATION FEES				
A. TON-MILE OR PASSENGER- MILE TAXES				
Colorado	x	x	Revenue ton-miles and revenue passenger- miles, respectively.	No . reciprocity
Kansas	x	x	Gross ton-miles (property or passenger.	Do
New York	x	....	Gross weight-miles, graduated scale, for property carriers.	Do.
Oklahoma	....	x	Passenger-miles, common carriers of passengers.	Author- ized.
Oregon	x	x	Gross ton-miles, grad- uated scale (property or passenger) Vehicles of 18,000 pounds gross weight or less may elect to pay flat fees.	No reci- procity.
South Carolina	x	x	Net ton-miles, common carriers of property; passenger seat-miles, graduated scale, common carriers of passengers.	No reci- procity except on occas- ional trips.
South Dakota	x	x	Gross ton-miles appli- cable to inter-state vehicles (property or passenger), in lieu of special-carrier gross weight fees.	No reci- procity



West Virginia	....	x	Passenger seat-miles, applicable to common carriers.	Authorized.
Wyoming	x	x	Net ton-miles (property or passenger) applicable to vehicles over 4,000 pounds unladen weight.	Do.
B. AXLE-MILE, VEHICLE-MILE, OR RATED CAPACITY-MILE TAXES				
Alabama	x	x	Axle-miles for property carriers; vehicle seating capacity-miles for passenger carriers.	Do.
District of Columbia	....	x	Passenger vehicle-miles.	No reciprocity.
Florida	x	x	Factory-rated capacity and mileage for property carriers; vehicle seating capacity and mileage for passenger carriers.	Authorized.
Idaho	x	x	Vehicle-miles, graduated scale (property or passenger), for vehicles in excess of 24,000 pounds gross weight when annual mileage exceeds 30,000 miles.	Do.
Kentucky	....	x	Vehicle seating capacity-miles, intercity passenger carriers.	Do.
Michigan	x	x	Vehicle-miles, graduated scale (property or passenger vehicles).	Do.





New Jersey	....	x	Vehicle-miles for interstate passenger carriers.	Authorize
New Mexico	x	x	Tonnage capacity-miles graduated scale, for resident property carriers; vehicle seating capacity-miles for resident passenger carriers; and gross weight miles, graduated scale, for nonresident carriers (property or passenger).	No reciprocity.
Ohio	x	...	Vehicle-miles, graduated scale, for vehicles having more than 2 axles.	Do.
Washington	....	x	Vehicle-miles, common carriers of passengers.	Authorized.

2. OPTIONAL MILEAGE TAX IN LIEU OF REGISTRATION FEES

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Illinois	x	x	Gross weight-miles, graduated scale.	Authorize
Maryland	....	x	Passenger seat-miles	No reciprocity.
Mississippi	x	x	Gross ton-miles for property carriers; passenger seat-miles passenger carriers, non-resident operators.	Authorize on proper carriers; no reciprocity on passenger carriers.
North Dakota	x	...	Tare weight-miles, graduated scale, interstate carriers of property.	No reciprocity.



Tennessee	x	z	Vehicle-miles, nonresident interstate carriers of property or passengers.	No reci-procit
Utah	x	x	Gross weight-miles, graduated scale, in lieu of trip permit fees. Applicable to non-resident property or passenger carriers of 2 or more vehicles.	Authorized

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SOURCE: Staff report to the Committee on Interstate and Foreign Commerce House of Representatives Eighty-Fourth Congress First Session July 16, 1956.

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THE CHAIRMAN: Thank you very much, Mr. Scott.

I think we may as well proceed in our usual fashion, and enter into a general discussion on this brief, if that is agreeable to you. I have no doubt that some members of the Committee would like to discuss with you various points raised in the brief.

BY MR. AULD:

Q. I wonder if I could ask you, Mr. Scott, how the ton-mile tax is calculated. We have had some information of the weight-mile and weight-distance tax, but so far, I, at least, have not had any knowledge of exactly how it functions more or less mechanically. Is there an increasing sum per ton mile charged?

In other words, is it a straight so much per ton mile, or so much per ton mile up to ten tons, and if you went up to fifteen tons, would there be an additional weight tax, or does the tax include all weights?

A. The difference between the ton-mile and the weight-mile tax is the difference between the ton-mile in Colorado, and the weight-mile which is in use in New York and Oregon, and some of the other States, in that they began operations with two variables, in other words, the actual mileage and the weight.

A vehicle which is carrying two tons pays for the two tons, times the mileage, whereas a vehicle





carrying ten tons pays for the ten tons, times the mileage.

The weight-mile tax is set in mills, and varies according to the weight of the vehicle, whereas with the ton-mile tax, they set a uniform ton-mile figure, and apply it against the number of ton miles.

Q. Where you mention the difference between two tons and ten tons, do they pay five times as much?

A. I would not think so. As I say, in regard to the ton-mile tax, they set a uniform ton-mile figure and apply it against the number of ton miles which you perform over the highway.

As I have said, I am not sure of the Colorado tax, whether it is a set figure, but I think it is. It is not on a sliding scale, as they have in New York, which goes from five to six mills, up to eighteen mills, and then an additional two mills for every one thousand pounds beyond that.

The ton-mile tax is a straight figure. I cannot see how it could be anything else, because the variable is what gives you this payment, whereas in your weight-mile tax, where you have a sliding scale, you have not the same problem.

Q. Then, with the weight-mile tax, you do avoid putting an incremental cost theory to its fullest use,



because it is said that naturally your highway construction costs and maintenance costs increase more, and you would more than double your highway construction costs, if you are building a road to carry double the weight.

A. I think there are three angles to your problem.

First, I would not agree that the ton-mile tax does not follow the incremental theory. There are two applications of highway taxes, one is the joint cost problem, the concept being that when you build a highway, you are building for the vehicles which are likely to use that highway. This involves a great number of joint costs which are built into the highway.

Therefore, the way to develop your cost is on the principle of allocating your overhead equally amongst all.

As I pointed out in my brief, the reason the Ohio incremental study did not follow the ton-mile theory, was that they say it is wrong, because as the weight increases, the costs increase in greater proportion, therefore, by following the gross ton-mile theory, you are actually hitting the lighter vehicles.

That is why the Ohio study followed the incremental approach.

To get back again, I will say you have these



two basic theories, the incremental, which is the engineer's approach to highway cost allocation, based on cost responsibility of different vehicles, and the economist's theory which is the gross ton-mile theory, which will spread the costs over all vehicles, and when you have made your study is when this weight-distance tax comes into play.

Ohio put in a gasoline mile tax; somebody put in a weight-mile tax, and somebody else again put in a ton-mile tax, but the highway tax was pointed out by one of the greatest experts in the world, when he said there was no relationship between the gross ton-mile tax and the weight-distance tax.

He said "This is simply a means . After determining the different classes of vehicles who pay, you then have to have some method by which you are going to get your payment, and you can have a ton-mile or a weight-mile or an axle-mile."

As I mentioned, there are about nine or ten different systems which are used, and they are not necessarily related to either the incremental or the gross ton-mile theory, but they follow the studies which may be based on one or the other of these general principles of cost allocation.

I said something in my brief, which may strike





you as peculiar, and that is that the ton-mile tax is more scientific. It is more scientific because it depends on two variables, whereas, with the weight-mile tax, you take a standard weight, but with the ton-mile tax, you take the weight at any given time, plus the movement of the heavy vehicles.

The problem of the ton-mile tax is an administrative problem. You have two variables, and the most difficult one is the question of weight.

For instance, a truck on peddle service, between two points, will have a different weight perhaps every fifty miles, as it will be dropping off goods enroute, and that is one of the reasons why the ton-mile tax has been dropped by certain States, particularly New York, and replaced by the weight-mile tax, because the weight remains constant.

Q. The problem of these variables is supposed to be adjusted by a number of factors. In other words, you take the gross licensed weight of the vehicle, and apply a factor which has been produced from studies, showing how much of the time that truck is full and how much it is only half-full.

A. I think that is true in Oregon. I believe they estimated the average utilization of a truck with average capacity, and took that as the maximum weight,



upon which they based the tax.

In New York, I do not really know what they have done.

In Ohio, with the axle-mile tax, I do not think they did that, but I do know that in Oregon they did estimate what the average weight of a truck would be of a certain rated capacity, and applied that figure as their average figure.

MR. MacDONALD: Mr. Chairman, there are a couple of points I would like to raise.

BY MR. MacDONALD:

Q. Do you agree that the so-called "availability" is intrinsically valid, that is, you fix the gross weight, whether the vehicle is running empty or full, and it is valid because of the fact that the road has to be built to carry the vehicle when it is full, and we are faced with the problem of the cost of the road?

A. I must be honest about this. I would be less than doing my job if I said I did not agree that it is valid.

If you build a road for a 60,000-pound vehicle, and you build the costs in to accommodate that vehicle, then the cost responsibility is on the vehicle, whether it is operating at three-quarters of its capacity or one-half. It is the cost responsibility which has been



built into this road and attributed to the vehicles which have occasioned this cost.

I think it is perfectly true, and that is one of the basic criticisms by certain highway authorities in the United States, of the ton-mile tax, that the ton-mile tax, not being as closely related to the incremental theory as the weight-mile tax, and the fact that when you build a road for a certain weight, then you increase the cost responsibility, whether the vehicle will operate on it at full capacity or not.

Q. The other question is with regard to the axle-mile tax.

What we want to do with all tax dollars, naturally, is to reduce the administrative problem as much as possible, because that has been the major headache.

If I recall the information correctly which was given to us in Ohio, the interesting experience there was that they decided to make the starting charge on 18,000 pounds.

At first, they gave consideration to increasing it for each 1,000 pounds or 2,000 pounds, but that was administratively going to be a very tough problem.

Then they said, "We will put our variations in costs at 5,000 pounds to 10,000 pounds variance", and then





they discovered that the number of axles which a truck has, roughly equated the 10,000-pound variation into which they had entered, so that by taking the axle instead of the 10,000 pounds, they were getting essentially the same equity, but they reduced the administrative problem, because instead of weighing every vehicle, they simply took a look at the axles.

Is that reasoning valid that as a result of the axle-mile tax rather than the weight-distance tax, it is put on a more equitable basis, as much as possible, or within reasonable limits, and is reducing this administrative problem?

A. I do not quite know how to answer that.

I have been attending meetings of the Highway Research Board for the last seven years, from which I have received most of my information on highway financing and highway engineering, but regarding your axle-mile theory -- it has a great deal to be said for it -- it is based on the fact that it is the weight on the axles rather than the gross weight which basically determines the cost of the highway.

You might have an increase of 2,000 pounds, but there is no additional cost responsibility, because you do not build the highways a little stronger simply because there is 2,000 pounds more weight.



Therefore, the question of the axle-mile tax -- and I might say this as an aside -- is really a controversial subject in the States, and has been for some time between the economists and the engineers. The engineers are looking for cost responsibility; the economists are looking for the use of allocated joint costs, and it is very definitely true that although the economist is naturally basing his conclusions on the theory of cost allocation, yet they appreciate what the engineers are getting at.

The engineers claim that your real damaging force on a highway is the weight on the axles, rather than the gross weight, and for that reason Ohio made some incremental studies. They had nine university consultants on the incremental studies, most of whom were engineers from all parts of the country, coming from Chicago, Georgia, Michigan and Washington; they drew them from many different areas which had different problems and that is one reason why the axle-mile tax came in, because they had a group of engineers on the committee. Had they had a group of economists on the committee, they probably would have the ton-mile tax, because we believe, and quite honestly, that that is the approach to the joint cost problem.

But to get back: as I say, the axle-mile tax



is an engineer's approach, and he thinks in accordance with the number of axles you have, you have the cost responsibility determined.

That is the best way I can answer your question. I have not gone into the axle-mile tax very thoroughly.

In Ohio, I spoke to a gentleman who does a great deal of study, General Pancoast, and asked him some of these questions, but there is also a political problem involved, which I prefer not to discuss at this meeting.

I think there were strong political considerations.

Q. From your studies, do you think there is validity in the proposition that the number of axles does equate with your 10,000-pound incremental?

A. I think the number of axles equate with certain figures. I would not set them at 10,000 pounds.

BY MR. AULD:

Q. You would depend on the maximum in the jurisdiction, as to what you could put on an axle?

MR. MacDONALD: Yes, I quite agree with that.

THE WITNESS: You can criticize any of these taxes. None of them is perfect. I say "none", because you are dealing with a joint cost problem.





You go to any cost accountant and ask him how he will calculate the cost, and he can give you fifty different ways. He will include office space, the number of drinking fountains, the space allowed for windows, and so forth, and it is amazing the number of ways in which an accountant will allocate a joint cost problem, and this is, to a certain extent, a joint cost situation, the one before us, and we had to take it when we had vehicles of one size, and were building highways for vehicles of one weight. Then it was completely a joint cost problem.

Today, you have the problem of building additional costs into highways for a number of reasons, and that basically gets away from the original complete joint cost problem, and gets into one of incremental, or the additional costs which are due to miscellaneous factors which go into highway costs today.

BY MR. MacDONALD:

Q. It seems to me the problem in regard to the joint cost approach is that you can end up with a solution which is close to 100 per cent. equitable, but is administratively impossible.

The thing which struck me, if I understood it correctly in regard to the axle-mile matter, was that it reduces the administrative costs to a minimum,



and yet it does not stray too far from equity, and therefore, you have the best method.

THE CHAIRMAN: Would you not think it would be necessary to consult the manufacturers of automobiles to find out if it were possible to re-design their trucks in a way which might put one truck in a more favourable position than another?

Man's ingenuity is limitless, particularly in regard to taxation.

I should think that would be a point to settle first.

MR. MacDONALD: You can be certain that man's ingenuity at the manufacturing end will produce something, and then you will have man's ingenuity to counter that effort.

BY THE CHAIRMAN:

Q. That is one thing which impressed me about your brief. I think this is a wonderful exercise in mental calisthenics, but I am interested in your opinion of the actual collection of taxes, and what you would consider the evasion potential is? I wonder if this will not put a premium on your honest operators, for instance? Have you any opinion on that?

A. My general opinion, Mr. Chairman, is that with a tax of any type, you put a premium on honesty.



BY MR. MacDONALD:

Q. The income tax, for example?

A. When the income tax was originally introduced, the difficulty of policing it during the war put a high premium on honesty, when there were not sufficient inspectors available to meet the requirements.

On the other hand, I have many good friends in the trucking industry, and I would hope they were sufficiently honest, that if this was considered to be the only answer to the problem, after due consideration, they would abide by the law.

I quite agree there will be evasions. I do not think there is any doubt about that. On the other hand, the way to get around evasions is to put teeth in the enforcement. They had to do that with the income tax, and everything else. If that is the answer, and people refuse to accept it, a real problem is created.

I do not think, for a moment, there will not be problems, and that you are putting a premium on honesty. I think you are putting a premium on honesty in many things, but after a time, people become honest.

BY THE CHAIRMAN:

Q. Is it not a question of degree?

A. Yes, I think so.





Q. That is also applicable to this question of equity. Do not think I am arguing one side or the other, but I am trying to get your opinion.

You say it is your opinion that it is not truly equitable, because there is such a variance of opinion -- for instance, the engineers' opinions -- as against your theory, and so on. That is the sole purpose of the tax, to avoid another inequity. So is there not a question of degree there, particularly when we consider a comparison of administrative costs?

A. I do not think there is any doubt your administrative costs are in direct proportion to the honesty of the taxpayers. That has been the stand throughout the United States.

It would require a large number of weighing stations to enforce the tax, and then, of course, your costs would go up. That has been pointed out by many people in the United States. I heard it pointed out by General Pancoast, of the Army Research Board, that the reduction of overloading on American highways due to enforcement and their weighing stations, probably meant as much more in the terms of maintenance costs than the actual revenue they returned.

In other words, if you are overloading, the cost entailed in maintaining your highways would far



exceed the revenue you can draw from the enforcement of the tax. That is the difficulty and is the by-product of one of the incidental advantages of this tax, that you are enforcing weight limits in the way you previously have considered.

It seems to me a peculiar thing to say, but having got into the tax, enforcement becomes a legal argument, and that is what happened in the United States.

THE CHAIRMAN: I think that is a very important point. I am glad you brought that up. It is in the record.

BY MR. ROOT:

Q. There is one point I would like to bring out, and ask a question about the equity between light and heavy vehicles.

I think we all recognize that heavy vehicles are prohibited from running on many of the streets and roads of our cities and province, and at certain seasons of the year, we are only allowed one-half loads.

There are many roads the heavy vehicles cannot use because of the laws or by-laws.

Have you taken that into consideration when you speak of "equity"?

A. I think that can be countered. We all know of periods during which, perhaps by local restrictions,



the loads are reduced, but if you had a form of one of these taxes, you could reduce your mill rate for that period, and I think it would be highly inequitable if you cut your load in half, and applied the same formula.

I cannot see any administrative point there. I think it is a question of applying a little arithmetic.

If the tax is in, and you cut your loads by 50 per cent., the tax goes down by 50 per cent. Then you would adjust your mill rate, because you know the load limits are not what they were before.

I think you could make an adjustment to get around that difficulty.

Q. I think you raised the point that you felt the rate should be based on what it costs to build the roads, regardless of the load which was to be carried.

As you know, there are times when certain heavy vehicles are running empty, such as oil trucks, livestock trucks and trucks drawing feed into the country, which have to go back empty.

I was wondering if that was considered when you spoke of "equity"?

Another point; does this apply to heavy trucks? I do know that in Toronto there are very few streets





upon which a heavy truck can operate. Do you think it is "equity", when heavy trucks are prohibited from the use of certain streets?

MR. YAREMKO, Q.C.: Mr. Chairman, to my mind, there is really no problem there. The reason why trucks are prohibited at some seasons of the year is because the incremental cost has not been built into the highway. You can imagine what we would be confronted with, if we built every street and road in the province to carry a 60-ton vehicle. Then the transport business would really have something on their hands. They just could not do it. The cost would be phenomenal, even with the weight-mile tax or the ton-mile tax, if every street and highway in the province was built for the full capacity.

What we are concerned with is assigning an incremental cost to the transport industry to such highways as are being built to serve them.

MR. ROOT: I am not arguing that every street should be built to carry a heavy vehicle, but the argument for the weight-mile tax is that the heavy vehicle is not paying its share through the gasoline tax and license fees.

BY MR. ROOT:

Q. On a point of equity; has any consideration



been given to the fact that heavy vehicles are prohibited on certain streets, which the light vehicles and the passenger cars can use, by paying a license fee of about \$10.00?

MR. AULD: Many of the trucks would not need to use these particular roads.

THE WITNESS: I would like to answer that in this way. There is one thing we should remember in connection with the highway tax problem. This concerns overloading, and I almost hesitate to bring it up before the Committee, but it is an important point.

In regard to commercial vehicles; their main operating area is on the highways. In connection with the private cars, the main operating area is on the city streets.

In the United States -- and I am simply using that as an example; it may not be true in Canada; it probably is not -- but in the United States, 50 percent of all vehicle miles are put in on city streets, which means that is where the large bulk of gasoline revenue is coming from.

When you add congestion to that -- and I mentioned in the brief that the passenger cars get about seventeen miles to the gallon -- I may say that in Montreal, with the traffic congestion there is



there, driving home in the evening, you will probably get about five miles per gallon in congested traffic.

A great deal of the revenue is coming from congestion on city streets, basically with passenger cars between the hours of seven and nine o'clock in the morning, and between four and six o'clock at night.

It is an interesting side line to say that every time it snows hard in Montreal, provincial revenues go up, because the congestion is terrible and the gasoline consumption is terrific.

But, at the same time, the municipal costs go up, because the municipalities have to provide for the clearance of the street, so that each part is affected, but in an opposite way.

What I am getting at is that you raise the problem of the city streets, which the trucks cannot use, and I agree with you there is a certain amount of inequity.

On the other hand, you have, to offset that, a very large percentage of highway revenue which comes from the city streets, because of the greater proportion of the passenger cars using the city streets.

It is true, of course, they do go on trips on the highways, and the highways are available for them, but in actual, practical operation, it is the city





streets where a great deal of the revenue comes from, and it is the municipality which is earning quite a bit of it.

This is only partly an answer to your question, Mr. Root.

May I refer to what is known as "The Washer Road Test", which determines the average percentages between the motor carriers and the highways.

What does it mean? The Washer Road Test proved that 80 percent. of the damage on the highways took place during the critical period about which Mr. Root spoke.

The question is, are you going to build your highways for that critical period? They can build highways from 22 inches down to 6 inches, and in a short time, the 6 inches are gone, and the 22 inches are not effective, apart from the critical period.

If we are going to have to build all our highways for that period, that would certainly mean incremental costs, whether the highway is being built for light cars or heavy vehicles.

But which does the most damage?

The Washer Test was a critical test over a six-weeks' period, and they did not even run a test at one of the critical periods, because they wanted to



compare the damage.

The first year they did not run heavy vehicles over the road, but the second year they did, and that is where the damage occurred.

Now, as has been stated, if you want to build your roads to cover the critical break-up period, who is going to pay for these roads, and who is responsible for the damage during that period? That is a very interesting point, which I think only a very small percentage of the people who read the Washer report saw. The others took a superficial glance, and having done so, they built the highways to cover the period, and it made for extremely high incremental costs.

BY MR. ROOT:

Q. From a point of equity, you suggest the revenue should be put on the roads the heavier vehicles are permitted to use?

A. My suggestion was from studies carried out in the United States, and they find the gasoline tax an extremely regressive form of tax.

If we find that the gasoline tax is regressive, when the rate is 5 cents, and adjusted to the American gallon, and including the Federal tax, it probably comes out at about 8 cents.

It probably would be more regressive in Canada,



where our gasoline tax rate runs from 11 cents up to 17 cents in the Maritime provinces.

If it is hitting the United States, where the gasoline tax is reasonably low, then it is a logical follow-up, that it hits us more here in Canada.

As far as the license fee is concerned; the complaint is that it does not take into consideration annual utilization.

I do not know what the vehicles do in Ontario, but I heard at the proceedings of a Royal Commission enquiry in Ottawa, that some transcontinental vehicles are travelling 125,000 miles a year. Of course, some of the vehicles in the province may do 40,000 or 50,000 miles, yet they both pay the same tax, but there is some reciprocity. If there is none, then there are other factors involved.

Even within the province, the assumption is that vehicles of different weights, **makes for discrimination**, and that is the criticism, at least in the United States, and I can find no reason to disbelieve it, that you will get this discrimination, because of these two types of vehicles, and you get a trend toward the supplemental tax.

BY MR. ROOT:

Q. I can agree we all have **certain** problems,





when restricted to half-loads, but would you suggest, if the weight-mile tax was adopted that the license fee should be reduced to a very nominal figure on all trucks?

A. I do not know, but studies on which these taxes are based, establish that the heavy vehicles are not paying their share by "X" dollars, therefore, they should pay what they are now paying, plus "X", if you do away with the license fee, and the term of the weight-mile tax is mainly a term of reciprocity.

In other words, certain States have said, "We will grant complete reciprocity in place of the license fee you formerly paid. You may have been paying too much, or you may have paid too little, but we will put in operation a users' tax, and you will pay for the amount of use you make of the highway."

I do not know of any case where they have done away with the internal license fee, and put on a weight-mile tax. I do not know if that is true, and I will accept your word. But the "in-lieu tax" about which you are talking, basically that tax was put on where reciprocity has been available, and they have said, "We will accept reciprocity and do away with the license fee, and put on a highway-user tax. In other words, we will consider reciprocity in this form,



and you pay our users' tax, and we will pay yours. "

But what you put to me was, should the province put on the weight-distance tax, and do away with the license fee? I say that is a help, if your weight-distance tax is high enough to recover the previous license fee, plus what the difference is, as shown by some studies, and what the amount is which should be charged to them.

I do not think it makes any difference, because you are getting the same amount of money you have set out to get.

BY MR. AULD:

Q. To get back to the axle tax: it has been said there is a disadvantage, because you are getting away from the axle load. If it was 18,000 pounds, perhaps there are many vehicles at the present time only running at 12,000 to 14,000 pounds.

If you have an axle tax, it would be of advantage to the operator to run with the maximum axle load all the time, and it may have a tendency to more wear and tear on the highway, due to the greater axle loads.

What would your opinion be on that point, Mr. Scott?

A. I would like to state here that any tax which



is going to affect the efficiency of highway operations is not a good tax. In other words, if you are taxing people in a way which does not allow them to use the best vehicle for their operations, I do not agree with your theory. I do not think anybody who is honest will agree with that.

It has been stated that the axle-mile tax has put a premium on technological progress. If it does, I am against it, because it would seem to me that it is a tax which prevents the building of better trucks. I think that is a perfectly sound proposition.

From what I have heard, and from what you have stated here today, with the axle-mile tax, I think the tendency will be to overload the two-axle trucks, rather than properly load a three-axle truck, because they will be in a position then to escape the axle-mile tax.

If that is the case, then you are quite right that overloading a two-axle truck is certain to do more damage than spreading the weight properly over a three-axle truck.

I agree that is something to which consideration should be given, but to what extent that happens I do not know.

In all honesty, I would have to say that you





should discuss that type of problem with people who have had experience with the axle-mile tax. I do not know the answer.

BY MR. ROOT:

Q. If we should apply the weight-mile tax in Ontario, do you think that the tax should be the same on rural roads as it is on the superhighways?

A large part of our highway system is composed of gravel roads, and I am thinking of the heavy trucks which use them, where people overload going to the north country and people who draw feed, fertilizer and livestock out of the rural areas.

Do you think they should pay the same weight-mile tax?

A. You are saying there are no incremental costs built in to some of your rural roads, therefore there is no additional cost, as they are low-standard roads, and the weight-mile tax should not be applied?

Q. Yes.

A. The only answer I can give is that if you have that type of road -- and I believe there are not many in Ontario, but that many of your roads are good -- I think the way to control that is that you should not have vehicles which are likely to cause damage to that type of road.



If you are going to put on the type of heavy vehicles which ordinarily operate on a high-standard highway, onto rural roads, which you say are not built for that weight, and you cannot have additional costs built into the highway, then you would have additional maintenance costs due to the operation.

In other words, you should have additional costs, but they should come from maintenance, rather than capital costs.

As I look at the problem, I feel that gravel highways do not react in the same way to heavy traffic, as paved highways.

I do not know the answer to that, because I am not an engineer, and it may be you could put heavy vehicles on gravel highways without doing the same type of damage you would on a paved highway. That seems strange to me, but that may be the case.

But if there is no additional cost put into your gravel road, and no additional maintenance cost, and you allow the over-weight vehicles to use it, then certainly I do not think the tax should apply, because there are no additional costs in that road, either capital or maintenance.

I would be surprised if there were no



additional costs, but the first thing I would look for would be the maintenance costs.

Q. That is the basic reason for the half-loads on that type of road in the spring and fall. In the middle of summer, I do not think there is any damage other than to bridges and culverts. And that is the problem, how you will apply this weight-mile tax.

In connection with toll roads, you have the superhighway, and you put an additional tax on a super road, but I think the weight-mile tax should be applied right across the board.

A. I think some of these States have made exceptions for certain types of vehicles. I do not know about the bridges. Are you thinking mainly of farm vehicles?

Q. No, I am thinking of the north country in regard to the pulpwood, where the vehicles haul very heavy loads, and they are restricted at certain seasons to half-loads.

Actually, on an average, there is considerable mileage, and if you are going to charge a weight-mile tax, regardless of the type of road, there is another inequity.

In the spring and fall, you are drawing half-loads, and you are not getting the gasoline mileage.





I can only say, in trying to be consistent, and taking an honest stand, that the weight-mile tax-- and that is what you are talking about -- is closely related to the incremental cost.

If there are incremental costs involved, then the weight-mile tax should be applied wherever you find incremental costs, which are not only capital costs for building roads to one standard for vehicles which are not required by them, but also maintenance incremental costs, which allow vehicles of greater weight to use roads which are not built for their weight, and to me, the real answer to that problem is not through taxation, but it is through legal loading. That is the way I look at it.

BY MR. MacDONALD:

Q. My observation has been that the big trucks running on a gravel road, destroy it. If you put your great transports on gravel roads, I do not think the problem is simply the re-building of bridges, as you can be certain, by the end of the year, that your road is finished.

THE CHAIRMAN: Either that or you have to gravel it every couple of weeks.

MR. MacDONALD: Yes. Take, for example, the road from Woodstock, by-passing Ingersoll; with



the heavy traffic, and the big trucks, that road is never in good condition.

THE CHAIRMAN: Well, this question of equity is an extremely difficult one, and I think it is obvious that it is impossible to achieve complete equity.

MR. ROOT: Another thing which is developing in the livestock trucking industry, and a thing which is happening, is in relation to central marketing. You have a light truck drawing livestock into the assembly point on a secondary road, and then have a tractor-trailer take them over, and drawing them to the packing plants.

If they are running on a higher grade road on the second haul, that might not apply. It is the problem of administration and equity I am getting at.

On paper, I cannot see anything wrong with the weight-mile tax.

THE WITNESS: I will agree with the Chairman that you will never get complete equity.

On the other hand, it seems to me that what we should be striving for is as complete an equity as you can get.

It is quite obvious that this kind of problem, is not one where you are trying to reach the joint costs, but you will never reach the apex of equity, but because



you cannot reach the goal you would like to reach, is no reason for not doing the best you can.

If we had to rely on a perfect solution in all cost allocations in all businesses, we would never have any cost allocations, because there are no solutions to the problem of cost allocations.

They are trying to do the best they can.

BY THE CHAIRMAN:

Q. In regard to this 18,000 pounds or 16,000 pounds in various jurisdictions, as the point where the tax takes over; are those weights set as a result of incremental cost studies, or as a result of political consideration, or are they set purely arbitrarily?

A. I think they are set as a result of engineering studies of highway capacities, and incremental cost studies. As you probably know, the American State highway officials have prescribed what they consider to be the proper load limit.

Now, 18,000 pounds on a single axle is what they recommend in the United States, and 22,000 pounds on a tandem axle, but after the Washer test, they have come to the conclusion that the equivalent of 18,000 pounds on a single axle is about 28,000 pounds on the tandem axle.

I think the United States highway officials'





recommendation of 18,000 pounds axle load is good.

Q. Would that be applicable here?

There is a group of research men which has to go into this before the tax is applied. Do you think we are in a position to adopt the research by somebody else, or should we make the study ourselves?

A. I am glad you raised that point, because it is one to which I have given a great deal of consideration, and have had a number of heated arguments with engineers in Canada.

Simply because the United States says that 18,000 pounds is a safe load limit on a single axle, is no reason why that should apply in Canada.

In Ontario, that might be true. You build your highways very much like they do in the United States, but in some of the other provinces, which have not the fiscal ability to build them the way you do, -- I do not think it follows that 18,000 pounds is a safe limit.

I think that was proven in one western province, that that is not the case.

Going down to Vermont, as I do fairly frequently for a drive, I have come across sections where the limit is 14,000 pounds, and in other sections, it is 18,000 pounds, and in still others it is 16,000 pounds. Simply because the engineers of the State have



decided that highway "A" differs from highway "B", and highway "B" differs from highway "C", and, therefore, there should be different maximum load limits on axles on each section, I do not think justifies us in blindly following the United States.

The only reason I use the United States information in my brief is because that is where they have had experience.

Q. We appreciate that, because we have received so much of our information from the United States.

BY MR. COLLINS (Secretary):

Q. Would you accept the engineers' studies which resulted in a classification of highways, particularly for permitting the gross weight on axles?

A. I certainly would, Mr. Secretary.

You are dealing with a multi-million dollar industry, and rapidly getting into the billion dollar status, and yet we are only spending "peanuts" on research.

In Canada, they say they have spent several hundred million dollars on highways, and yet the amount spent on research, which is going into an industry of that size is very negligible.

I certainly would support both a tax research and engineering research into the basic carrying capacity of our highways, because I do not think we can



say that because something held true in the United States, it automatically would hold true in Canada.

BY THE CHAIRMAN:

Q. I would also like to see a study made of this problem of inequities. It seems to me that is where the root is.

Mr. MacDonald has, on occasion, used a figure from California, for instance, and we got sort of -- I would say -- half-hearted agreement from our Department, that it might be applicable here, but they really do not know.

We all know what equity is in regard to the gasoline tax between private automobiles and trucks, of 18,000, 20,000, 40,000 or 60,000 pounds. We have an idea there is an equity, but we do not know what it is.

A. I do not want to "go off the beam" here. You can test the ton-mile approach very quickly, because it is a question of mathematics.

I have worked it out. I will not tell you what it is. It is in my little book, which some of you may have received. I will not say it is correct, because that might be upsetting the incremental cost studies.

But it is quite easy to work out the contribution





one sized vehicle is making, and what contribution another vehicle is making.

Q. Are these figures on page 5 of your brief only illustrative, or are they accurate?

A. As you say in your brief:

"...a passenger car which gets 15 miles on a gallon of gas and weighs 2 tons receives 30 ton-miles of highway use per gallon of gas. A heavy transport, on the other hand, which gets 5 miles on a gallon of gas, and weighs 30 tons, gets 150 ton-miles per gallon of gas."

There is a certain danger there in the difference between 30 and 150-ton miles per gallon of gas, but I say if a heavy transport was getting 1 mile per gallon of gas, there would be no difference at all.

A. That is true.

Q. All I am interested in is, do they get one mile per gallon or more?

A. Let me say this, Mr. Chairman: this 5 miles per gallon -- and I apologize for using it -- is an American figure.

Last week, I appeared before the Canadian Good Roads Association, together with the Trucking Association, and we each presented our own views. At



that meeting, the Dominion Bureau of Statistics appeared, and they have been carrying out highway truck surveys for two years, and if you have not a copy of the report, I will be glad to send you one.

Q. We would be very much interested in having that.

A. They released figures for Ontario, and, if I am not mistaken, I think they were quoting an average of about 7 miles to the gallon.

May I ask Mr. Goodman if he saw those figures?

BY MR. AULD:

Q. The figures we were given by the Department of Highways were in regard to a 28,000-pound vehicle, showing 7.4 miles per gallon, and up to 50,000 pounds, 4.9, and 68,000 pounds, 4.

Your figure of 5 miles for 60,000 pounds would compare roughly to this figure of 4.9.

A. That may be so.

THE CHAIRMAN: This is extremely interesting. I do not know whether there are further questions any member of the Committee would like to ask of Mr. Scott.

THE WITNESS: I would like to suggest, in conclusion, Mr. Chairman, that these figures released by the Dominion Bureau of Statistics -- you can get them from the Dominion Bureau of Statistics if you wish,



or if you cannot, your Secretary can let me know, and I will give you a copy.

They are for the province of Ontario for the year 1955 -- for one year -- which showed the average gasoline consumption, the average miles, the average revenue per ton-mile, and so forth.

MR. AULD: May I ask Mr. Scott one further question?

THE CHAIRMAN: Certainly, Mr. Auld.

BY MR. AULD:

Q. On page 9 of the brief, in paragraph 23, you point out:

" The most recent and striking adoption of the principle is to be found in the recently enacted Federal Highway Act which provides for the first time special federal highway-user taxes. For example, one of a number of new sources of revenue is a special tax on all vehicles of more than 13 tons."

I understand that was a straight gasoline tax from which they were financing this programme?

A. No, there is one thing I think you might be interested in knowing.

I know there is a great deal of discussion about Federal aid in the United States, and I agree it





runs to very substantial proportions. I think last year it was something like \$700 million.

On the other hand, the Federal government from gasoline taxes alone -- this is not including their excise tax on parts -- recovered approximately one billion dollars.

For the first time, the tax on gasoline seems to be ear-marked for highways, which is about two-thirds of what it is here, because of the smaller gallons down there, and they have also introduced a number of other taxes which I have not mentioned in the brief.

There is a tax on re-treading material, and a tax under 13 tons, and the Federal Aid Bill is not confined merely to an increase in the gasoline tax, but the Federal gas tax has gone up by 50 percent., from 2 cents to 3 cents a gallon, and there are other taxes I have not mentioned.

The only one I mentioned is the new use tax on vehicles over a certain weight.

Why they adopted the 13 tons, I do not know.

BY MR. AULD:

Q. What is your figure, Mr. Scott?

A. \$1.50, not exceeding thirteen tons.



Q. Is that on a yearly basis?

A. Yes, it is on a yearly basis.

Q. I think somewhere in your brief you mentioned "\$1.50"?

A. Yes.

BY THE CHAIRMAN:

Q. Mr. Scott, tell me one thing about this incremental cost: does it take into account the incremental cost on roads which heavy trucks use, and none others?

In other words, as a private-car driver, I have available to me, and I use, a great many roads and streets. In my own city, I drive on perhaps eighteen or twenty streets a day. That is my choice, and those streets are available to me, therefore I should pay for them.

But, a trucker who operates, say, between Toronto and London -- my home town -- drives on No. 2 Highway -- period. That satisfies him. That is all he wants to do.

I am trying to get this "equity" straightened out in my mind.

A. If you have a minute, I will tell you how the incremental cost works.

In the engineering studies, they determine



how much of the total highway bill is incurred for highway use. That determines the total bill.

They then determine, on top of that, the additional cost for vehicles of 4 tons above that basic figure. That is only a rough figure.

Then there is another additional cost to accommodate vehicles 4 tons above that, and still another additional cost to accommodate vehicles another 4 tons above that.

They then determine what the additional cost is. The heaviest group of vehicles pay on the same basis. They divide the cost built into the highway for their particular use.

Q. For any one year?

A. That is something I cannot answer. I do not know if it is in one year or not. I do not know. I presume it is.

And they determine the cost for each group of vehicles, and allocate the cost for the vehicles that group includes.

They then assess the cost for all other vehicles.

Q. Do you think that is equitable, Mr. Scott?  
That may not be a fair question.

A. I have stated earlier<sup>as an economist</sup>/that I think the most





equitable way is the gross ton mile -- period. That is my view.

I have studied the incremental cost, and my criticism of it is there are so many assumptions, and arbitrary ways of doing things, that it takes you six years to get a study of it, and by the time that is done, the whole composition of traffic has again changed; you probably have more or less heavy trucks, and people say "It might have been all right six years ago, but now we need another cost study."

That is the reason why the economists do not approve of incremental costs, because there are many arbitrary assumptions made, whereas in connection with the ton-mile, there is only one assumption, that all joint costs should be spread over all vehicles, and measured with the same yardstick.

BY MR. COLLINS (Secretary):

Q. There is one thing I can see in regard to the gross ton-mile theory. On page 5, you say a car weighing 2 tons gets 15 miles to the gallon. Is it not conceivable a heavy truck of, say, 30 tons, is designed to carry the weight easier than a passenger car can carry its weight?

A. That is my personal opinion. You have highways in the United States restricted to passenger cars, one



being the 70 miles of Parkway in New York, and considering the maintenance costs on that highway for the number of passenger cars, you will be amazed at how low it is.

I have read of other cases where they claim just the opposite. I do not know of that myself. You can get arguments on both sides.

Mr. Baldock, of the Oregon Highway Department, explains the difference between incremental and the ton-mile tax, saying that if you take 15 two-ton passenger cars and 1 thirty-ton vehicle, you have the same ton miles under the economists' gross ton-mile theory, and you can divide your costs equally amongst the "works", because the ton miles are the same.

But he says you should not rely on that too much, because the incremental costs of 1 thirty-ton vehicle is greater than the cost of 15 two-ton vehicles.

That is the example he gives, and he is an engineer. That is why he does not favour the ton-mile method.

You can have 100 passenger cars, and they will not do as much damage as one big vehicle, and one reason was touched upon by Mr. Root, when he said that most of the damage occurs at certain periods of the year, and the other reason is because of their



lighter weight, they do not do so much damage, because the highways are built for them.

You do not need restrictions on passenger cars during the spring months. I do not know why, but I assume the engineers think they will not damage the roads. But put one heavy vehicle over the road during that period, and you will get a great deal of damage.

I do not think any damage is done in the months of, say, July and August.

I think the Washer test proved that if you build a road strong enough, you can put any amount of weight on it. We know that is true in the railway industry.

We build our Toronto-Montreal line much heavier than some of our branch lines, because we curtail the speed on our branch lines, and we have found, when we have a high-density traffic, we have to spend four or five times as much for a railway, because we have heavier trains running over it.

That is how he explains the difference, and he says that simple multiplication does not mean anything because the incremental costs are put into the road. Whether he is right or not, I do not know. He is an engineer, and I am not.





BY MR. COLLINS (Secretary):

Q. Do you think a graduated fuel tax -- there are difficulties there -- but would that meet your incremental cost?

A. I did not want to bring that up, because I did not want to get you into too many problems, but if you are interested in that, you will find that Virginia and Tennessee both introduced a fuel tax, which we felt was a rather novel experiment in taxes.

They now have one fuel tax for heavy vehicles, and one fuel tax for light vehicles.

I just recently read the Tennessee report on that, and to me it is a very novel taxation scheme. Whether it will work administratively or not, I do not know. There seems to be some "bugs" in it.

THE CHAIRMAN: There seems to be plenty of "bugs" in everything. We have to try and find the most equitable scheme, with the least "bugs".

I think we will get more information on that, because it is very interesting.

BY MR. ROOT:

Q. In figuring the weight-mile tax, do you take into consideration that certain communities are served almost entirely by trucks?

Would it be more seriously inconvenient for



some parts of the province than others?

A. You are getting me on to a subject now which is very dear to my heart, because it is at the root of all railway economic problems.

The railway business is very competitive. We have the light traffic rate, which we have to subsidize from the heavy traffic. We are trying to cover that out of our main-line rates, to carry on our lighter weights.

You are bringing up the same problem with a slightly different wrinkle. What do you do with the communities serviced only by trucks?

I agree there are some, but I do not agree there are as many as is sometimes stated.

I have read an article by a great authority on the Colorado ton-mile tax, a man who thinks that the weight-mile tax increase is more or less negligible.

He says that on 100 pounds of potatoes, the ton-mile tax in Colorado makes an additional transportation cost of about one-half cent. That is what the economic effect of this tax is. How it ties in with the weight-mile tax, I do not know, and I do not see that it has any effect.

I have not seen statements by anyone on the incidence of the transportation costs as a result of



the weight-mile tax, but I have seen many -- by one gentleman in particular in Colorado, who gets pretty heated over this; the highway engineer of Colorado -- who has worked out many cases which you might get from him. I will try to get his name for you.

He has worked out the incidence of the cost of the ton-mile tax in Colorado, and it is so small that the commercial carriers cannot pass it on, because there is no way of reflecting it in the rate. You cannot add one-quarter of a cent on a ton-mile weight which amounts to 7 cents.

BY THE CHAIRMAN:

Q. Does the ton-mile tax in Colorado produce an adequate amount of money for highway purposes?

A. I cannot answer that. I can only say this. particular gentleman -- I will be happy to send his name to you -- has written prolifically on the subject. He has had his department do a study, and I have no doubt he can give you an answer to your question.

MR. YAREMKO, Q.C.: Mr. Chairman, would it be possible to ask somebody in the Treasury Department to take any system, without designating it as being the best -- say, take the New York system of the weight-mile tax, and try to estimate what their system, if





applied to Ontario, would result in additional revenues?

It may be our Department of Highways has not the facts to work out all the figures, and some of the figures may have to be estimated, such as the number of miles travelled here by vehicles of different categories.

Could we get an estimated figure, so we would have some rough idea if we were to apply the Ohio system or the New York system to Ontario, would it mean an increase of \$2 million or \$10 million, or \$20 million.

THE CHAIRMAN: That is a good point. I do not know whether we can get that or not.

MR. YAREMKO, Q.C.: We would then know just what we are dealing with.

THE WITNESS: If I may help you there, the figures released by the Dominion Bureau of Statistics at the Canadian Good Roads Association meeting showed a total of 1,760,000,000 ton-miles on the highways. That is, ton-miles. You can get the miles as well. They can give you the vehicle miles and the ton miles.

Whether that would be of any assistance to you in trying to get at the problem you have raised, I do not know.

THE CHAIRMAN: We will have to move some time



from the general into the particular.

MR. YAREMKO, Q.C.: If these studies were started now, when we have to reach some conclusion, we would know where we are heading.

I meant to bring this up at Fort Erie when they were speaking of the international traffic. We know the traffic comes across Ontario from the States and pays some sort of a fee.

THE CHAIRMAN: They have a trip fee between Fort Erie and Windsor. I do not know what you would find, for instance, between the State of Michigan and Sarnia.

MR. YAREMKO, Q.C.: Could we ask if figures are available to show the number of vehicles, and the type of vehicles, and the amounts they collected?

THE CHAIRMAN: What you are saying is we want all the information the Department of Highways has, as to the number of out-of-province vehicles, and what, if any, additional revenue they pay over and above what our own people are paying?

MR. YAREMKO, Q.C.: If they could give us an estimate of the number of miles these vehicles travel.

BY MR. MACKENZIE:

Q. Mr. Scott, may I ask one question, for my own information.



I see you have listed here a number of American railways. Have they the running rights, say, from Fort Erie to Windsor?

A. They generally get running rights, and it is generally over the Canadian National Railway.

Q. From Fort Erie to Windsor?

A. I do not know, I am ashamed to say. I am not an operating man. I do not know how it works, but I believe most of them use the Canadian National Railway tracks. They pay a trackage fee of some kind to the Canadian National Railway.

Q. In other words, they are not three separate railway companies?

A. Oh yes, they are three distinct companies.

Q. But they have not their own rights-of-way?

A. I do not think so.

Q. I noticed in Chatham, the Chesapeake and Ohio train had an engine and several cars.

A. That would be right. But they would be running over the Canadian National Railway tracks.

Q. That would be on the Michigan Central right-of-way?

THE CHAIRMAN: The New York Central has its own right-of-way, and the Chesapeake and Ohio has also in certain places, for instance, in the Erieau area.





A. Yes. The Pere-Marquette uses the Canadian National right-of-way.

THE CHAIRMAN: I think that winds up our meeting for this morning.

May I express our appreciation to you, Mr. Scott. I think you have some indication of our interest, by the number of questions we have asked, and we are very grateful to you for coming here this morning, and giving us such a wealth of information.

THE WITNESS: Thank you, gentlemen.

---The witness retired.

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---Whereupon the further proceedings of this Committee adjourned at one o'clock p.m., until three o'clock this afternoon.

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A F T E R N O O N   S E S S I O N

Toronto, Ontario,  
Thursday, October 11th, 1956,  
3:00 o'clock, p.m.

- - - -

The further proceedings of this Committee  
reconvened pursuant to adjournment.

Mr. J. P. Robarts, Q.C., Chairman,  
Presiding.

P R E S E N T :

Messrs. Yaremko, Q.C.,  
Auld,  
Sandercock,  
Root,  
Child,  
Manley,  
MacDonald,  
Mackenzie,  
Mr. D. J. Collins, Secretary.

A P P E A R A N C E S :

Mr. L. G. Berney,	Secretary-Treasurer, Ontario Association of Motor Coach Operators
Mr. J. C. Barker,	Ontario Association of Motor Coach Operators.



Mr. J. O. Goodman,

General Manager,  
Automotive Transport  
Association of Ontario,  
(Inc.).

- - - -

THE CHAIRMAN: Gentlemen, we will please come to order.

We have with us this afternoon, Mr. L. G. Berney, Secretary-Treasurer, and Mr. Barker, from the Ontario Association of Motor Coach Operators. They have a brief they would like to present to us. Will you present the brief, Mr. Berney?

MR. BERNEY: Yes.

THE CHAIRMAN: If you will please come to the front, then we can all hear you.

L. G. B E R N E Y,

Secretary-Treasurer, Ontario Association of Motor Coach Operators, appearing before the Committee, but not being sworn, deposes and says:

BY THE CHAIRMAN:

Q. The procedure we usually follow is for you to read your brief, and after you have completed the reading of it, we will ask you such questions as may occur to us, and then will have a general discussion





on the contents of it.

A. First of all, gentlemen, Mr. Farebrother, our President, had intended to be here to present the brief, but he was called away to Buffalo, and could not attend, and I told him I would present the brief in his stead.

Mr. J. C. Barker is with me, and can assist us, if anything should arise.

Our brief is a short one, and is addressed to you, Mr. Chairman. It is as follows:

"Dear Sir:

Under letter of April 20th, the Ontario Association of Motor Coach Operators were invited to present our views as to our thoughts in regard to the toll principle on divided controlled-access highways already constructed or partially constructed and the further application of this principle to various other specific projects in the province and also to include such taxes as weight-mile taxes.

In order that your Committee may have some conception of the Operators comprising our Association, we deem it advisable to inform you as to the number of Operators and the scope of their operations.



The membership of our Association is made up of a group of 72 Public Vehicle Operators and while the Department of Highways' records as of March 31st, 1956, indicate there are 225 Public Vehicle Operators in the province with a total of 2622 vehicles registered, our members operate a total of 1243 vehicles, or approximately 50% of the total registration.

There are also 2013 public school bus Operators with a total number of registered vehicles of 2006, but insomuch as their operations are confined to the carriage of school children, they are not what we would call Public Vehicle Operators in the true sense of the word.

We would like to point out to your Committee that whereas our members number only 72 out of 225 Public Vehicle Operators, with 1243 vehicles, our members operate on practically all the main highways in the province, and operate about 80% of the total miles operated.

The Operators not members of our Association are mainly persons owning one, two or three vehicles, mainly driver-owner operated, and over county and secondary roads.

In many cases our member companies co-ordinate



their services so that they connect with those of connecting Operators and accept and issue tickets one to the other, with a few of the companies operating beyond the limits of the province of Ontario and also into the United States.

Our Association publishes an interline passenger tariff which is used by our member companies in constructing fares between various points in Ontario. We also publish a map showing the routes traversed by our members, a copy of which is attached to this submission.

Whether our thoughts in the matters we will cover in this submission have any value to your Committee will be a matter of opinion.

#### Toll Roads

Our conception of a toll road is one that is a non-access highway, except at points where considerable traffic may wish to enter or leave, and the access points are of considerable distance apart, and that toll roads are of necessity only justified as between large and dense areas of population.

It is true that toll roads on account of the fact that they have few points where traffic enters or leaves, permit faster travel and more



freedom from accidents as well as less wear and tear on the vehicles using the highway, but actually toll roads provide very little traffic advantages over comparable roads of a free system.

In Ontario, we have some very fine divided highways, such as the Queen Elizabeth, Highway 400, Highway 401, and a few others which provide excellent facilities between some of the heaviest traffic areas in the province. These highways cannot be considered as non-access highways as generally applied to toll roads although they are non-accessible from roads crossing the highway, crossing by underpass or overpass.

Our present highways generally, taking into account those already constructed or in the course of construction, appear adequate for traffic needs, except in certain areas such as Toronto, but congestion appears only at certain times of the day or on certain days such as week-ends. We do not think toll roads would remedy such a condition.

Bus operations in Ontario generally are made up of two classes of passengers, those travelling short distances, going to or from the various towns, cities, villages and points along the highway.





and a limited number of through passengers travelling considerable distances.

Our bus services are to serve the people generally and some of the advantages lie in the fact that passengers may be picked up or discharged at their front doors.

Toll roads, and even some of our present limited access highways, are usually constructed away from the highways where population exists, and therefore, even this type of highway can be used only in a limited manner by Public Vehicle Operators.

For instance, the Queen Elizabeth Way, between Toronto and the Peace Bridge can only be used when the traffic is sufficient to provide a reasonable number of through passengers. This would apply say on a limited access highway between Windsor and Montreal -- Toronto to Barrie or Orillia.

The Association feels that, insofar as they are concerned, toll highways would be of little or no benefit to them or the public travelling in their vehicles and are further of the opinion that the population and the movement of vehicular vehicles in this province would not support toll highways.



3 - Mile Method of Taxation of Public  
of Public Commercial Vehicles

As of March 31st, 1956, there were 23,716 public commercial vehicles registered in Ontario, and as previously mentioned only 2,622 public vehicles, so it is quite evident that insofar as the public vehicle is concerned, they form a relatively small percentage of the highway users.

While we do not wish to enter into any discussion as to the taxation of the public commercial vehicle, we do wish to point out that one of the various taxes now paid by the Public Vehicle Operator is, in effect, a ton-mile tax. This fact is not generally known or recognized by the public and we do claim that the public vehicle is now the most heavily taxed one on our highways.

All vehicles using our highways do in common pay a gasoline tax of 11¢ per gallon and the consumption does have a definite relation to the weight of the vehicle and the miles travelled.

In addition all vehicles pay a registration fee based on horse power for the ordinary passenger, and on the gross weight of the public commercial and public vehicles.



At this point it might be desirable to show the comparative registration fee for commercial vehicles and public vehicles, taking one weight class only for purpose of this comparison:

Registration fee for a truck with a 17 tons to 18 tons gross capacity	\$463.00
Registration fee for a public vehicle with 17 tons to 18 tons gross capacity	\$316.00

In the case of the bus the gross weight is made up of the weight of the vehicle, plus the number of seats in the bus, multiplied by 135 lbs. representing the average weight of a passenger.

From the above it can be seen that the public commercial vehicle pays a larger registration fee than the public vehicle.

In addition to the gasoline tax and the registration fee, the public vehicle pays a tax that is not generally known and that is a seat tax which could as readily be called a ton-mile tax.

The seat tax is a charge of 1/20 of a cent per seat mile on provincial highways and 1/30 of a cent per seat mile on county roads, or for a 40-passenger vehicle -- which is not uncommon in the bus industry -- the tax would be two cents per mile, or if you wish to use as is done in arriving at the gross weight, that is using 135 lbs.





per seat, you can resolve the seat tax into a ton-mile tax.

In the case of the public vehicle with its comparatively small number in use and operating on a time table or schedule the collection of this charge is comparatively simple, but it would appear that the collection of a ton-mile tax would in the case of trucks present quite an administrative problem.

To show that the public vehicle is now heavily taxed and much more so than any other class of vehicle on the highway, we will take as an example a 40-passenger bus with a gross weight of between 17 and 18 tons operating 50,000 miles a year, and compute the taxes:

Gasoline tax based on a mileage of $5\frac{1}{2}$ miles per gallon	\$1,000.00
Registration fee	316.00
Seat tax - 50,000 x 2 cents	<u>1,000.00</u>
	\$2,316.00 per year.

Approximately 4.22¢ per mile.

This Association feels that with increasing costs and declining traffic and revenue that the Public Vehicle Operators should be given the consideration of some reduction in the taxes they



now pay.

Respectfully submitted."

THE CHAIRMAN: Thank you, Mr. Berney. Are there any questions any member of the Committee would like to ask?

BY MR. AULD:

Q. So that we may be correct in this thing, when the brief uses the term "Public Commercial Vehicle", you really mean "Commercial Vehicle"?

A. Trucks, yes.

Q. Yes, but a commercial public vehicle -- not all heavy trucks are public commercial vehicles; some of them are privately owned and operated, and do not operate with a P.C.V.

Actually, the number of trucks --

A. Registered?

Q. -- yes, registered, is considerably higher than you give as the P.C.V. trucks. There are a number privately owned, which carry their own freight.

A. These trucks I mentioned, numbered 2216, and are actually licensed.

Q. But there are, in actual registrations with the Department, about 35,000 or 36,000.

MR. BARKER: They are private carriers.

MR. AULD: Yes.



BY THE CHAIRMAN:

Q. Mr. Berney, does your Association consider this seat tax to be a fair tax?

A. Yes, I believe the members are all in agreement it is a fair tax. There is no question about that.

We think we are already paying our share for the upkeep of the highways plus the fact that the industry as a whole has seen a steady decline in passenger traffic since 1950.

We had some very good years after the war, when private cars were hard to obtain, and people were, of necessity, riding in the coaches.

BY MR. YAREMKO, Q.C.:

Q. Is the seat tax paid on the occupied seats, or even if they are empty?

A. It is paid on the basis of the number of seats.

Q. You do not pay it for the people who stand?

A. No.

BY MR. AULD:

Q. It is not a ton-mile tax, in the sense in which it was discussed this morning, because there is only one variable? You got into some technical stuff about the difference between the ton-mile tax and the weight-distance tax. But the ton-mile tax is one where it varies with the weight carried, and the mileage.



You have only one variable, and you pay on the seats, whether they are occupied or not?

A. That is right.

BY MR. ROOT:

Q. In regard to this \$316.00 for registration fee; is that your Public Vehicle license, or do you have two licenses?

MR. BARKER: That is the cost for the license plates.

MR. ROOT: On the public vehicles?

MR. BARKER: The public-vehicle plate is not charged for. There is no charge for that. The Department issues them separately.

MR. ROOT: There is no charge for them?

MR. BARKER: No charge for the actual Public Vehicle plate. We pay the seat tax.

BY THE CHAIRMAN:

Q. So, in effect, your seat tax takes the place of the P.C.V. license plate?

MR. BARKER: That is right, sir.

THE CHAIRMAN: In your public commercial vehicles?

MR. BARKER: Yes.

THE CHAIRMAN: So it would be possible to translate seats into weight?





THE WITNESS: It could be done, yes.

THE CHAIRMAN: We have here some very slight variations of the weight-distance tax presently being imposed in the province.

BY MR. AULD:

Q. There you have the kind of equity, with a weight of 135 pounds, taken as the weight of a passenger, and the number of times the seat is occupied?

A. That is right.

BY THE CHAIRMAN:

Q. Could you tell the Committee, Mr. Berney, how you keep your mileage records, and what checks are made of them, and what difficulties do you have?

A. Each public vehicle operator is obliged to file with the Department of Highways, a schedule which shows the mileage from point "A" to point "B", and that is broken down as to whether it is on a class "A" highway or a class "B" highway.

BY MR. AULD:

Q. If you happen to have two on a run, for instance, during a weekend, what happens then?

A. Then we call in extra coaches, and operate extra miles.

BY THE CHAIRMAN:

Q. You have, of course, laid-down routes and



schedules upon which you must run so many buses a day, between "A" and "B", and so on?

A. Yes.

Q. So that part of it is rather automatic?

A. Yes, as far as a schedule is concerned. The mileage depends on a bus.

But licenses are issued by the Public Vehicle Branch, and you must operate, of course, with a license.

Q. And your license states the route you follow?

A. That is right.

Q. Does it also provide for the service you can give over those routes?

A. It does not stress that part, but if you discontinue to operate, you must notify the Department.

Q. If you cut your runs from Toronto to Oakville from five a day to three a day, are you allowed to do that?

A. Yes.

Q. So a great deal of the mileage figures the Department has, depends on you filing?

A. If we decided to cut out a service, we have to file that information with the Department of Highways, and they have to approve it.

If they tell us we should operate more service on a road, we have to provide it.



Q. Does the Department make any check of the mileage and so forth?

MR. BARKER: They have some system of checking. I think it is done every three or six months, and they decide on some figure.

For instance, instead of taking each individual bus and using the seats, once every year they take the entire fleet, and determine an average, and that figure is used as a basis for determining mileage.

MR. AULD: How is it taken care of when, perhaps on one day you run a 40-passenger bus on one run, and the next day you might have less traffic, and run a 30-passenger bus.

MR. BARKER: That is right.

BY THE CHAIRMAN:

Q. Is your Association aware of any difficulties through evasion of this tax?

A. I think we will have to possibly admit that there is the odd evasion, but basically, I think the larger carriers are quite honest.

I would say that possibly the odd, small operator would try to "chisel" a little.

BY MR. AULD:

Q. Would he be more likely to do that than the large operators?





A. Yes, he would not report the mileage operated.

BY MR. MANLEY:

Q. Do you pay a seat tax on chartered buses?

A. Yes.

BY MR. YAREMKO, Q.C.:

Q. How do the members of your Association feel about having to keep these records for the seat tax? Is it a burden on them?

A. I have not heard of any objection.

MR. BARKER: I think they realize if they are going to stay in business, there are certain things they have to do.

MR. YAREMKO, Q.C.: They probably keep the records for their own use.

MR. BARKER: They have to.

MR. YAREMKO, Q.C.: For cost accountancy purposes?

MR. BARKER: Yes, and rates, and everything else.

I think the government has made it as simple as possible for reporting by even the small operators. For instance, they keep a good check on charters.

Each chartered vehicle is supposed to carry a special permit, and any police officer has the right to stop the vehicle, and demand to see it.



When the trip is completed, the original has to be returned to the Department of Highways, so if they do not return it, the Department can check them up.

BY MR. MANLEY:

Q. Does it not complicate matters when you have the two different rates, one-twentieth on secondary highways, and one-thirtieth on good roads?

MR. BARKER: That is easily determined. When we make up our schedule -- speaking of the Grey Coach Lines, for instance -- most of our operations are on provincial highways.

But we have some little fellows who go up to Erin and around to Belfountain, where the traffic is very light. We determined that.

When a route is established, that is determined between the operator and the Department of Highways, and it is very simple to set up.

When we return the tax on the charters, it is a little more difficult.

BY MR. YAREMKO, Q.C.:

Q. Yes, but I would like to have it clear in my own mind. These figures you have on page 5, where you say:

"A 40-passenger bus with a gross weight between 17 and 18 tons, operating 50,000 miles a year --"



A. That is a coach.

Q. Yes, but trucks of that class; it would cost him approximately \$1,000. just to operate?

A. They would not pay the seat tax. Actually, the mileage would be a little better than with a coach, because of the coaches consistently stopping and starting to pick up passengers.

MR. AULD: If it was a public vehicle, he would be paying his P.C.V. license fee.

MR. YAREMKO, Q.C.: A difference of \$145.?

MR. AULD: No. It would depend on class of license. He would be paying another \$101.00; instead of \$1,000.00, he would be paying \$1,010.00.

I do not know what an "A" would be paying, \$100.00 or \$200.00.

THE CHAIRMAN: On the 28,000-pound vehicle, your P.C.V. license is \$105.00.

MR. AULD: That is for "A".

THE CHAIRMAN: 38,000 pounds; I think that would be \$142.50.

BY MR. ROOT:

Q. There is a question which bothers me at times. On the motor coaches, is there more than one license granted for the same area?

A. For the same route?



Q. Yes.

A. Not normally, no.

Q. Why?

A. There is a good question.

MR. BARKER: I can tell you why. The Minister of the Department of Highways realized that if you split the revenue amongst two or three operators, not one operator can give good service.

We used to have that condition between Toronto and Oshawa, when the Colacutt Coach Lines, and the Delray operated. I think hon. Mr. Henry was the Minister of Highways at that time, and he was instrumental in having the Toronto Transportation Commission, at that time, purchase both operators, so that it would eliminate this "cut-throat" business, and try to build up a standard of service.

Q. By what process of reasoning do they grant a half a dozen licenses to public commercial vehicles?

MR. AULD: Possibly more business.

MR. BARKER: I think that is due to the fact that they deal with the manufacturers, and they are not dealing with "Mike" Smith or Mrs. Jones, or anybody who lives along that run.

They go out and establish a price with certain firms.





MR. AULD: On the other hand, there are a number of places in the province, where a firm such as the Grey Coach Lines, or the Colonial Company, has a franchise right through that area, and the local firms may have local business.

But, to obtain a P.C.V. license, you have to go through the same procedure. You have to go through the proper Board.

MR. ROOT: I have seen buses where there were many people standing. The fact that you have the sole franchise, means you are able to "kick" people around, a little more.

THE WITNESS: You can appreciate the fact that a coach going from Toronto to Guelph, for instance, might leave with a half a load, and by the time it gets to Brampton, it might have ten vacant seats, but by the time it reaches its destination, it might have ten people standing up.

You just cannot estimate what the traffic will be.

MR. ROOT: There is no concession for the man who has to stand?

THE CHAIRMAN: He should get there earlier.

THE WITNESS: A man along the route has to take his chances.



BY MR. CHILD:

Q. What happens when you start with a standing load?

A. We are permitted to stand one-third of the seating capacity of the vehicle.

THE CHAIRMAN: If you ride the train between Toronto and Hamilton, as much as I do, and between here and London -- for instance, on a Friday afternoon, going out of Toronto for London, there are no seats, and people are standing.

However, you might drop all the standing people off at New Toronto. They comprise the commuter traffic.

You cannot make provision for seats for everybody, because if you are going on a Wednesday afternoon, for example, you would almost have a coach to yourself.

THE WITNESS: In public vehicle operation, if additional equipment is available, no one would be standing going out -- if there was other equipment available.

BY MR. AULD:

Q. If there were always people standing, and there was a public complaint, and somebody else wanted to go into the business, if they applied for a license,



would they get it?

A. Not if the operator could not supply the buses.

THE CHAIRMAN: These are all questions for the Transport Board, and they do not concern the weight-mile tax, particularly.

BY THE CHAIRMAN:

Q. How long has this tax been imposed?

A. My experience has not been very long. Mr. Barker is an old hand at this game .

MR. BARKER: I think it started around 1928.

THE CHAIRMAN: Mr. Barker, do you feel free to say -- and do not be afraid to say "no" if that is the case -- you say it is a fair tax, and you consider it fair, insofar as your industry is concerned. Would you care to comment on its application to traffic generally?

MR. BARKER: I would say it is fair to charge something. The tragedy of the whole thing is that on a route where you operate quite a number out in the smaller areas, it is a charge which is not in keeping with your revenue, but you have to pay that charge, although you are operating with empty seats.

If there was some way of making it more equitable on a revenue basis, it might be better than on





a seat basis.

It is true that on the weight basis, if you are running with 40 seats on the highway, you are running with that amount of weight.

MR. AULD: If you put it on a revenue basis, would you not be penalizing the efficient operator?

Your point is, there should be another variable, that you should not pay for seats, unless they are occupied?

THE WITNESS: If you pay the same, on a revenue basis.

MR. AULD: On the number of tickets sold; not the amount of the tickets, or the number of passenger miles?

MR. BARKER: The charge collected from the individual is according to the miles travelled.

MR. AULD: Not of the amount of either the gross or net receipts of the operator?

MR. BARKER: You would take the gross receipts, and charge 80 percent. of that.

MR. YAREMKO, Q.C.: Yes, because the tickets are sold on the basis of the miles travelled. You could get the passenger-mile figure --

MR. AULD: You want an amount per passenger mile, not per seat mile?



MR. BARKER: That is right. I think that might help the smaller operators.

MR. AULD: What difficulty would that present to an operator to keep additional records, or would there be any additional records required?

MR. BARKER: I doubt very much if there would be any additional work on the part of the operators, because they are probably keeping some similar type of records.

MR. ROOT: You have one advantage, in that you are allowed to have one-third of your passengers standing, upon whom you pay no taxes.

MR. BARKER: That is right, sir.

MR. AULD: If you had a system such as that, it would have to be applicable to the whole route, in which case it would be on the basis of passenger miles, and not seat miles, so the tax would be paid for standing passengers, just the same as a heavy city route.

MR. BARKER: I think it would round itself out. The cost per passenger mile -- that is, the cost per passenger per mile -- is pretty well standardized, probably  $2\frac{1}{2}$  cents or 3 cents per mile, and that goes into the operating revenues, and you can determine what passenger miles are travelled, and if you take a percentage of that, you would not collect on vacant seats.



MR. ROOT: Would it be fair to say that at the present time, the large operator who has a heavily-travelled route, and presumably profitable runs, and also lightly-travelled and unprofitable runs, at the present time are fairly treated, or is that system hurting the small operator who has mainly a poorly-patronized run?

MR. BARKER: That is right, because he is paying for vacant seats.

THE CHAIRMAN: It goes back to the fundamental theory which must have been considered when this tax was imposed.

Are seats being used to indicate the weight, considering the wear and tear on the road, or is it simply a convenient method of collecting another tax, and if it is the first situation, then it really does not matter whether a seat is occupied or not.

MR. MacDONALD: If it is in direct relationship to the wear and tear on the road, and there are 40 seats, and you think the charge is a fair one?

MR. AULD: Except for this fact, that there is no weight. You have seats with nobody in them.

THE CHAIRMAN: But a 40-seat vehicle weighs more than a 20-seat vehicle, and, therefore, you pay more tax, on a 40-seat vehicle. So it does not matter





whether a seat is occupied or not.

On the other hand, if you take part of the revenue the bus company is getting in the form of tax, you would assess it on a full seat?

MR. YAREMKO, Q.C.: Has it been mentioned as to whether or not public vehicles use the American toll roads?

MR. BARKER: They do; that is, the chartered buses do.

THE CHAIRMAN: Do they travel from Buffalo to New York on the Thruway?

THE WITNESS: A service is being operated from Toronto to Buffalo, and on to New York.

BY THE CHAIRMAN:

Q. Is that on the Thruway?

A. Yes. The only time a toll road would be of any advantage to the public vehicle operator, would be if you had a stretch from point "A" to point "B", where you could utilize a toll road, because of faster service.

Most of the operators depend on the pick-ups, for example, between here and Guelph. The population is such that along that highway, is where the business is.

BY MR. AULD:

Q. A high percentage of your passengers are not





through passengers?

A. That is correct; a good proportion of them are not through passengers.

BY MR. MacDONALD:

Q. On the chartered service which uses the Thruway; is there any pick-ups, or is it all through traffic?

A. As far as I know, you cannot stop vehicles on it. You can get off the Thruway at Rochester, Syracuse, and places like that.

MR. CHILD: Was there any change in the fare?

MR. BARKER: No, the practice is not to increase fares, because the operator feels he is compensated by the rate of speed, which cuts down some of the drivers' wages.

BY MR. CHILD:

Q. Consider the traffic between Toronto and Hamilton. Should there be an expressway there?

A. We are experimenting now with express service between Toronto and Hamilton on the Queen Elizabeth Way, but very seldom do we have a full load. We are, however, hoping to develop that.

BY MR. YAREMKO, Q.C.:

Q. You have two trips a day from Toronto to Hamilton -- that is, express service?



A. Yes, we have two round trips on the express system. We started last spring. It is developing, but it is slow, and not as well as we anticipated.

Q. Two express trips out of thirty?

A. Yes.

BY MR. CHILD:

Q. If an additional tax was put on the buses, would it be assumed by the company or passed on?

MR. BARKER: I am afraid it is the same as most operators; it would have to be passed on.

MR. CHILD: It would have to be passed on, whether in one way or another?

MR. BARKER: Yes.

BY MR. AULD:

Q. Speaking of the Greyhound buses running from Toronto through to Buffalo or Detroit --

A. The Greyhound is licensed to operate in Toronto. The Head Office is in Windsor, with terminals in London, Sudbury and also at North Bay.

BY MR. ROOT:

Q. I notice the truck with a gross capacity of 17,000 to 18,000 pounds pays \$463.00 for a license, while a bus of the same weight pays \$316.00. In other words, the truck pays about 50 percent. more than a bus?

What about it, if you are restricted to half loads?



A. We are not restricted to half loads, to my knowledge.

MR. BARKER: There is the Alcar Coach Lines in the Haliburton territory, and in the spring sometimes they put on two seven-passenger cars, Volkswaggens -- instead of buses, on account of the conditions of the roads.

MR. ROOT: Would there be any regulations requiring that?

MR. BARKER: No.

BY MR. ROOT:

Q. You are getting your registration for about two-thirds of that of a truck, and there is no competition?

A. That would only be effective about two months in the spring.

Q. What I am pointing out is that it strikes me you are getting -- speaking about the weight-mile tax, and speaking of damage to the roads--if you are running according to the weight of the vehicle, with two axles --

A. You are taking it for granted there are passengers in that vehicle?

Q. Say a truck operates on three axles; they are paying more than 50 percent. over the bus?

MR. AULD: That does not take into consideration





the city tax. I think it might be interesting to find out what goes into these figures.

You will notice that the \$463.00 is registration fee for a truck with a 17 ton to 18 ton gross capacity?

MR. ROOT: What is the registration of a truck of between 17 and 18 tons?

THE CHAIRMAN: Between 18 and 19, it is \$500.00.

MR. AULD: That is just the registration fee for the truck.

THE CHAIRMAN: There is no P.C.V. fee on buses.

MR. AULD: There is a P.V.

THE CHAIRMAN: Not a fee; just a license charge.

MR. ROOT: This shows \$463.00 --

THE CHAIRMAN: I am not speaking of the 17 to 18 ton truck. I am speaking of the 19 ton. \$463.00 is for a 17 to 18 ton gross capacity. I think that is about right.

MR. ROOT: I was disappointed in the fact that a bus can overload by one-third of its seating capacity, while with a public commercial truck, you could not put a third more hogs on it.



THE CHAIRMAN: You would not call that "overloading".

MR. ROOT: If you put a third more livestock on a truck, you would be in trouble with the Humane Society.

THE CHAIRMAN: The Department has established the capacity of a bus as being all seated, with one-third as many standing.

MR. ROOT: They just tax the number of seats?

THE CHAIRMAN: They do not tax the ones in the seats. They tax the seats. There may be nobody in them.

MR. YAREMKO, Q.C.: I am sure, Mr. Root, they do not tax every cow you carry.

THE CHAIRMAN: You cannot relate this to passengers in any way, shape or form,

MR. ROOT: Just the seats?

THE CHAIRMAN: Yes.

MR. AULD: A 17-ton bus would be a three axle bus. I would say that 95 percent. of the buses operating, have two axles.

I do know of one with three axles, which has just been built by General Motors.

MR. ROOT: Actually, on that basis, the bus would do more harm to the roads than trucks, if you are



carrying all the weight on two axles.

THE CHAIRMAN: It is of different construction.

Once again, we are speaking of something about which we do not know anything.

THE WITNESS: Do they not run on dual wheels?

THE CHAIRMAN: I think so.

MR. CHILD: Your trucks do, too, plus two axles at the back.

THE CHAIRMAN: I would not "go along" with the proposition that the damage to the road on a weight basis was the same with trucks, as with buses.

MR. ROOT: They are the same weight vehicles.

THE CHAIRMAN: Yes. I would want an engineer's point of view on that. If you have a 20-ton bus on two axles, and a 30-ton truck on three axles, the bus would not do more damage than the truck.

MR. ROOT: I do not see why not.

MR. AULD: The maximum axle load is 18,000 pounds -- nine tons. So that means that an 18-ton bus, if the same rule applies -- and I presume it does -- would have a 50/50 load proposition.

I understand that most trucks, if they get up to 60/40, feel they are pretty well out of the trucking business.

MR. MacDONALD: Most buses are constructed so

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that the weight is distributed over the wheels.

THE CHAIRMAN: That is a subject for engineers. We can only speculate.

MR. AULD: It is not the total load which has to do with the road damage; it is the axle load, and from the axle it goes to the tire sizes, and the pounds per square inch you transfer to the road surface.

It is again a question of how far the axles are apart.

MR. YAREMKO, Q.C.: Perhaps Mr. Root could clear up a point in my mind. Is there any restriction as to half-loads on provincial highways, or is it on roads all through this province?

MR. ROOT: Yes. There is a provincial road nine miles from where I live, which has been a highway since 1937, and it is a gravel road.

There are all kinds of provincial highways which are not paved.

MR. MANLEY: On the older-built highways, there are no restrictions.

MR. ROOT: No, that is right.

MR. CHILD: I would like to ask either of these gentlemen to make a comment if they will, on a toll road from Toronto to Buffalo, by-passing Hamilton, as far as buses are concerned. I am thinking of them





at the moment.

THE WITNESS: Toronto to Buffalo, by-passing Hamilton?

MR. CHILD: Yes, going south of Hamilton. I think it comes down to a point of time and distance.

THE WITNESS: I think that would save time; no question about that. We could try it on a summer weekend, when we certainly have three or four sections, and perhaps even five or six sections. But that extra travel is not of much general use to us.

MR. CHILD: The bulk of your business is the holiday weekend business?

THE WITNESS: Yes, every Friday, Saturday and Sunday.

MR. CHILD: From the point of view of a holiday, the fares might not be increased, but the time and mileage saved would more than pay for the toll?

THE WITNESS: That is right.

BY MR. CHILD:

Q. Instead of getting in two or three trips, you might possibly get four trips?

A. That is possible.

BY MR. YAREMKO, Q.C.:

Q. Actually, when you consider that route between Toronto and Hamilton, even at the present time, the coaches



only operate thirty trips a day, and their effect on the feasibility of a toll road would be very small, one way or the other.

If it is thirty trips, they could double the number of trips and make it sixty, and would still have no effect on the feasibility of toll roads one way or the other.

MR. CHILD: There would be a saving of traffic between Toronto and Buffalo. They could drop off at Hamilton, of course, but I was speaking of going right through.

MR. ROOT: You would not object to a toll road in the area about which Mr. Child was speaking, when there is the Queen Elizabeth Way located there?

THE WITNESS: I am saying this without too much authority, but I do not think we would utilize it.

The Lakeshore area is where the bulk of our business is, and then we have a special bus service, such as the one serving Applewood Acres.

MR. CHILD: What about the buses which go through the Burlington strip?

MR. BARKER: They are local buses, going over the Burlington strip.

We have to give as much service as we possibly can. People will get very mad at you if you



go past them without stopping.

MR. CHILD: I am thinking if the Burlington bridge is tolled.

MR. BARKER: If it was tolled, we would have to pay according to the use we made of it.

If a toll road was built between Toronto and Buffalo, I doubt very much if it would be of very much assistance to us, except in the way of chartered buses, which want to get from Toronto to Buffalo in the shortest space of time.

MR. CHILD: You have full loads now?

THE WITNESS: Yes.

BY MR. AULD:

Q. Could you answer this question? In the United States, in the areas where there are toll roads, has been there any utilization to speak of by those companies on those roads for express runs?

I am not saying they should never be used on local runs, but have they been used for express runs, or is there not enough express traffic to warrant it?

MR. BARKER: They have been used to a very limited degree. For instance, this New York to Toronto trip may use them, or Toronto to Syracuse.

MR. AULD: Then I wonder if you could answer this question; do you know of any place where a bus





company is running express service between any points where there is a toll road, and do not use it?

Supposing, for instance, there was an express run between Buffalo and Syracuse or Albany in New York State. Do they have express service, and do they use the toll road, and if not, is it because of the toll?

THE CHAIRMAN: Do they take advantage of the toll road because of the added speed?

THE WITNESS: It will give them faster service between two points.

THE CHAIRMAN: It would not be a factor in the location of toll roads, anyway.

MR. CHILD: If there was better service between Toronto and Hamilton, do you not think people would use it to a greater extent than at the present time?

THE WITNESS: You mean more frequently?

BY MR. CHILD:

Q. Yes. I am thinking now of one thing. If you get the 5:15 from Toronto to Hamilton, you are lucky to get a seat. The 6:15 is the same. They make the trip in an hour.

A. We could not make it in an hour.

Q. But if you had a 60-mile speed<sup>limit</sup> on a toll road,



you could make it, with no difficulty?

A. That is possible.

MR. BARKER: Possibly we could from the Sunnyside Station to the approaches of Hamilton, but our trouble is that we have to get from Bay and Dundas Streets down to Sunnyside, and then get from the approaches to Hamilton to the centre of the city. That is where we lose our time.

MR. MacDONALD: It is like London, where you spend half your time getting to the airport.

THE CHAIRMAN: Well, Messrs. Berney and Barker, we are very grateful to you for coming here this afternoon. We have found our discussion with you very interesting.

MR. ROOT: There is one question I would like to ask before you say "thank you", Mr. Chairman.

THE CHAIRMAN: Go ahead, Mr. Root.

BY MR. ROOT:

Q. How many coaches are operated by your Association?

A. 1,243 vehicles.

Q. We will not finance all the roads in Ontario from the motor coaches.

A. No. We are very "small potatoes" I am afraid.



BY MR. CHILD:

Q. There is one other question. I do not know whether you would care to answer this or not. Would you have a figure as to what percentage of profit your company operates on, with the capital invested?

MR. BARKER: I do not think we are qualified to answer that. There are too many variables.

BY MR. CHILD:

Q. No, I think your financial statements would give that information exactly for each year.

An audited statement would tell you what your capital investment is.

A. You are speaking of the Grey Coach Lines?

Q. I am interested in any bus company, whether it is the Grey Coach, or some small operator. There must be a figure somewhere between 5 percent. and 10 percent.

If a company operates within 3 percent. and 4 percent. of its capital investment, it is making a reasonably good profit, and the statement has been made that if there was an additional tax, it would have to be passed on to the public.

I was wondering if you wanted to maintain a given profit --

A. As far as the Association is concerned, I would

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to make any statement. There are too many variations.

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not want to comment on that without having some figures available.

Q.       Why I asked that is, that one trucking company said they would be prepared to show its books to the Committee, to show that the amount of profit they were making was comparatively small, and I was wondering if the profit from the trucking companies' business would compare with the profit from the bus companies' operations, and how they would compare.

THE CHAIRMAN: It would vary from company to company.

THE WITNESS: I believe we heard some statistics this morning.

MR. AULD: If they are making 9 percent., they are doing quite well.

THE CHAIRMAN: Are there any further questions, gentlemen? (No response).

If not, again we thank you, Mr. Berney and Mr. Barker.

---The witness retired.

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THE CHAIRMAN: That concludes our proceedings for Thursday, October 12th, 1956.

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---The further proceedings of this Committee adjourned at 4:05 o'clock p.m., until Friday, October 12th, 1956, at 11:00 o'clock a.m.



















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